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FINANCIAL TIMES

No. 25,519

Saturday July 31 1971

** 6p

DOUGLAS
CIVIL ENGINEERING & BUILDING CONTRACTORS
BIRMINGHAM ■ SWANSEA ■ STOCKTON ■ LIVERPOOL

News Summary

GENERAL BUSINESS

Police probing air tragedy

Tokyo police said last night they were investigating whether the student pilot of a Japanese F-86 Sabre jet was to blame for yesterday's worst-ever air disaster, in which 162 people died.

The fighter was in collision with an All Nippon Airways Boeing 727 as it was flying at 27,000 feet over a mountainous region 270 miles north of Tokyo. The airliner, carrying 165 passengers and crew, disintegrated and wreckage and bodies were scattered over many miles. Only 56 bodies had been recovered by last night.

Warning

The student pilot, Yoshimi Ichikawa, parachuted to safety with his instructor and was recovering in hospital. His jet was accompanied by a similar aircraft, whose pilot said he saw the Boeing approaching and warned Ichikawa to turn and climb. But it was too late.

All those aboard were understood to be Japanese, with the exception of an American flight engineer. The airliner, on flight from Tokyo to Osaka, was on a flight to Hokkaido.

A spokesman for Lloyd's said in London the airliner had a hull insurance value of £6.7m, a "substantial amount" of which "possibly as much as half" was covered in London.

37 die in French military crash

Thirty-seven paratroopers and crew on board a French Air Force transport were killed when it crashed in flames at Pau. The aircraft was making its final approach for a parachute jump when an engine apparently caught fire and the aircraft plunged into the ground.

Space separation—at second try

Apollo 15's lunar module Falcon and command module Endeavour, separated at night. Astronaut Al Worden then blasted Endeavour into a higher, 70-mile orbit for the next three days while Dave Scott and Jim Irwin prepared for the descent to the lunar surface from the one-mile low point of their own orbit.

Despite the separation hitch—caused by a loose plug in a line taking power to the release mechanism on the spacecraft's jacking gear—the landing was expected to be on schedule, just before midnight.

Drier August

August will be drier than usual once an unsettled spell at the start of the month is over, says the long-range forecast. Page 10

Popfest writ

Isle of Wight County Council and local landowners issued a High Court writ aimed at preventing a pop festival due to be held on the island next month.

Japan murders

Police at Maebashi, Japan, unburied the bodies of two more young women they believe were murdered and eighth victims of a rapist who lured them to their deaths with promises of "love" careers. The killings represent Japan's worst postwar murder case.

Briefly...

The Oz editors were refused bail by Court of Appeal but were held by court again if not sentenced by next Thursday.

Prince Charles finished his five-year flying course at Cranwell, is returning to Windsor Castle today.

World Health Organisation officially declared Spain to be free of cholera.

Arab summit ended unexpectedly with a warning to Jordan and Syria may be involved in the "any attacks against Palestine Guerillas."

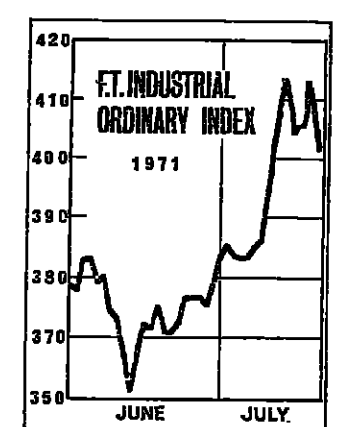
A trial of pot shareholder told LMA annual meeting in Amsterdam that a marijuana tea service should be started on its aircraft, aided by slogans for "the highest trip in the world."

WEEK PRICE CHANGES

Prices in pence unless otherwise indicated

RISES	
A.H.	110 + 7
Avon	450 + 3
Brookview Financ. Int.	34 + 10
Castwood (I.B.)	32 + 8
Edwards	218 + 6
Grange Writings	123 + 8
Intern. Computers	123 + 10

● LONDON EQUITIES were depressed by Wall Street's downdrift but the leaders picked up later. The index fell to



400.4 but ended 2.7 lower at 401.5, or 4.2 down on the week. Gold shares were higher.

● IN GILTS medium and long lost up to one point but a rally cut the day's fall to 4-1.

● THE £ STAYED at £2.415. The Bundesbank's dollar sales ran to \$70m-\$80m, at DM3.2505-10, for a three-days' total of \$73m.

● TREASURY BILL rate was \$0.004pc up at \$5.5642pc.

● WALL STREET'S index lost a minor gain, ending 2.99 lower at \$38.43. Pages 14 and 18

● GOLD'S UPTREND continued in London with a 10c rise to \$42.55, highest price since June 1969. This made a gain of 80c on the week and \$2.25 in three weeks. The market was less active yesterday; there was some profit-taking. But doubts over the international currency outlook continued to support the price.

● LOCKHEED LOAN HOPES have risen as a result of leaders of both parties in the U.S. House of Representatives agreeing on a plan to break the deadlock in the Senate, which yet another attempt to shorten the debate failed. The idea was to abandon the legislation for a \$2,000m. general fund and to vote merely on whether to give Lockheed the \$250m. guarantees sought. Danger to the new proposal is again meted in the Senate. Back Page

Building orders rise

● BUILDING CONTRACTORS' new orders are running at 11 per cent. above last year. Though factory building for private industry fell in May to below the six-year monthly average, new orders still reached £323m., close to the first-quarter average. Private house building, commercial development and public works improved. Back Page

INDEPENDENT BAKERS

accounting for 20 per cent. of bread sales are likely to raise large-scale prices by 1p in September, due to a 14 per cent. wage increase for shopworkers and higher ingredient costs. Page 15

PORT MODERNISATION

20 per cent. grant scheme of 1966 is to end, said Transport Industries Minister Mr. Peyton, as ports are now comparatively well equipped. But grants will be paid on contracts to be given for the Southampton dock scheme at Liverpool. Page 15

UNION LEADERS

recommended 200,000 industrial civil servants to accept pay rises averaging 8½ per cent. Ministers view this as in line with their pay strategy. Last year a 12 per cent. pact had its effect on later public-sector settlements. Back Page

FITCH LOVELL

pre-tax profit has risen to £4.31m. (£3.32m.), a 9 per cent. final lift the total dividend to 15 (12½) Page 16; Lex John Brown pre-tax profit is close to the forecast at £4.41m. (against £5.21m.). Final of 7½ per cent. dividend is given for the South Eastern Gas 9 per cent. final rises the total to 15 (13½). Pre-tax profit is up at £4.97m. (£4.37m.). Page 20; Lex

COMPANIES

Jamesons Chocolates 40 + 7
Lloyds Industries 44 + 7
London & Cent. Secur. 210 + 15
Overseas Financ. Trust 400 + 50
Northborough Invest. 92 + 8
Reed (Austrian) A 330 + 15
Sterling Guar. Trust 270 + 12
Sunley (B.) 196 + 6
Town Centre Prop. 82 + 3
CAST 224 + 10
East Drie. Comb. Units 180 + 15
Select Exploration 77 + 4
Union Corp. 201 + 6

FALLS
Treas. 8½% 1967 "A" 295-1
Anderson Forco 58 - 9
BSR 368 - 10
Bon. Inter 164 - 5
Commercial Union 464 - 8
Burton "A" 256 - 6
Court Line 198 - 6
Fitch W. & C. A 258 - 7
Greenwood & Batley 42 - 3
Jessel Secs. 270 - 12
Mercury Secs. 178 - 10
Metal Box 369 - 9

At the Giro centre, Bootle, Lancs., 120 computer staff, members of the Civil and Public Services Association, will strike on Monday and Tuesday, the first day of a three-day strike. The pay row stems from a dispute over the pay scales of the lowest grade of staff, who are the lowest paid in the civil service. The strike is the first in the history of the civil service since 1970. Colleagues at three other Post Office computer centres in London, Edinburgh and Derby, per cent. flat rate increase, a total of 226—will start their strike on Monday. They will not work until there is a settlement of their claims. Mr. Alister Graham, CPCS general secretary, said yesterday that the strike would be a "one day" strike, but that the union would call out on Monday and Tuesday, the first day of a three-day strike. He added that 2,000 clerical and auxiliary staff at the Giro centre have offered to come out in sympathy. Mr. Graham also said that the delay in sending out telephone accounts would leave the P.O. short of money and it would have to seek loans from the Government to tide it over.

The strike at Giro comes when the Government is still considering the future of the service. Union leaders have expressed fears that it is to be closed down or "hived off" to private enterprise. The Government's report is expected soon.

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Pay scales
A spokesman for the P.O. said last night: "We regret this threat and urge the union to reconsider. It could ultimately affect the prospects of the service. The union could also pointed out that the union could go to arbitration but Mr. Graham said yesterday that negotiations had been going on since last December and in the union's view arbitration would take too long.

£3m. BSA losses in 1970-71—serious financial position

BY KENNETH GOODING

The directors of Birmingham Small Arms Company, the BSA engineering and motor cycles group, revealed last night that the company made losses of about £3m. in the last financial year and warned that the financial position could hardly be more serious.

"By reason of the heavy losses the group is under-capitalised and its borrowing powers are insufficient," they declared. Bank borrowings are close to the limit permitted by the Articles of Association.

Two weeks ago Dr. Daniel McDonald, the Scottish millionaire who collected £18m. cash when he sold his interest in the BSR "Monarch" record-changer group, said he would make a partial bid for BSA.

The BSA Board said last night that for such a partial bid to be recommended by it there would have to be an assurance from Dr. McDonald that "substantial" new capital would be available for injection into the group. It is understood this could be as much as £5m.

Dr. McDonald made his approach through a company called Vision Enterprises, and its other director, Mr. A. M. Beaumont-Dark, a stockbroker, said after the news of the offer that neither Vision nor its financial advisers Kleinwort Benson had seen the BSA statement.

He stressed, however, that Dr. McDonald's main interest was the same as that of the BSA directors—that of pulling "this once great company" round. There would be urgent talks and Dr. McDonald would naturally have to hear the advice of his bankers before making a final decision.

The BSA directors produced their statement after studying a report prepared since May, by Cooper Bros., the accountants. Accountants acting for Dr. McDonald's company, Peat Marwick Mitchell, have been going

through the report with Cooper Bros. since it was completed on Wednesday. A spokesman for Kleinwort Benson maintained earlier yesterday that a decision on whether Dr. McDonald should go ahead with his offer would be made before the end of next week.

BSA made a pre-tax profit of £321,000 in 1969-70 and paid a 5 per cent. dividend. The directors have the prospect of a £3m. loss for the year to July 31, 1971, on internal accounts.

Added to this will be an exceptional provision of another £1m. in respect of losses arising from product rationalisation measures. To some extent this is offset by an exceptional profit of £700,000 on the Redditch factory, which was sold some time ago.

Design delays

Additional provisions—the amount of which has still to be accurately established—will be needed to cover further reorganisation costs.

The cause of the loss was the dislocation of production in the motor-cycle division, attributable mainly to delays in completing the design of new models agreed by a delay in the arrival of components from suppliers. These problems led to a low volume of output just before the peak selling season for motor-cycles.

Cooper Bros. have recommended in their report that a new management structure be needed and in particular that a new managing director "of high

calibre" should be recruited to fill the vacancy in the motor-cycle division created when 57-year-old Mr. Lionel Jofeh resigned three weeks ago.

The BSA Board, headed by Mr. Eric Turner, has "accepted in general principle" the recommendations in the report of Cooper Bros. and "intends to implement them as quickly as possible." Several reorganisation measures are already in hand.

Because of the group's financial position there will, of course, be no dividend to shareholders. The group's British and U.S. bankers have been kept in touch with the position and will be asked to continue their support during the reorganisation period.

Measures are also in hand to develop additional sources of finance. The directors stress that the Cooper Bros. report shows that the measures already being taken, plus other changes planned by the group, "should enable the motor-cycle division to return to a profitable basis of trading."

BSA's non-motor-cycle interests—which include a metal components division, central heating equipment and general engineering—have all been profitable during the past year and show good prospects for the future, the directors maintain.

Underpinned by hopes of the partial bid of 55p cash a share, the BSA Ordinary shares closed up 1p at 43p last night—well above the 40p of the Board's announcement. At this level the group has a market value of just over £9m.

Corfield promises support for growth of ICL

BY JAMES ENSOR

MR. FREDERICK CORFIELD, Minister for Aerospace, yesterday made the most definite statement to date of the Government's policy towards a British-owned computer industry.

In a written reply, he told Parliament that the Government recognises the importance to the economy of the continued growth of ICL. A range of measures, including a procurement policy, deliberately designed to strengthen ICL's position in the market will be continued.

Mr. Corfield said that the Government had urged the "Nationalised industries and other public sector purchasers to follow a similar policy. The Government will be prepared to place contracts with ICL which assist in the development of new products and computer applications. It will also continue the "Advanced Computer Technology Project" under which it has financed certain research and development spending.

Further measures to support ICL's research and development may be considered in the light of the financial assistance being given to their computer industries by other Governments. The French Government under Plan Calcul has provided large funds

to the French-owned CII. The German Government has a fund which is expanding to a value of £70m. a year to support Siemens and Telefunken in the development of computers. Much of the original research in computers in the U.S. is undertaken with NASA or Defence contracts.

Mr. Corfield said that the Government is "considering whether such measures are desirable." Mr. Corfield suggested that "the British industry will gain considerable benefit from close co-operation with the European computer industry within the Common Market." He added that "the starting point for this co-operation is a competitive British industry and a nucleus for a viable European computer industry. We are certain it is this clear statement of intent. Government involvement encourages the growth of a European industry with considerable consequential benefits for Britain and Europe."

Collaboration

The Government will take up its outstanding balance of £1.1m. next year. It will underwrite the loans which ICL is negotiating to obtain with financial institutions in the P.O. for the purchase of computers. In the present state of the settlement according to ICL the company may have experienced some difficulty

with these loans but the Government's assurance should remove them.

The Government clearly sees ICL as the catalyst of a European computing effort. Mr. Corfield said that the Government recognised its role in creating conditions conducive to collaborative ventures and is currently negotiating these with several European Governments.

ICL already has links with the French and the American Control Data through International Data. Sir John Wall, ICL's chairman, welcomed Mr. Corfield's statement, said that he believed "in ICL Britain has a nucleus for a viable European computer industry. We are certain it is this clear statement of intent. Government involvement encourages the growth of a European industry with considerable consequential benefits for Britain and Europe."

Sir John repeated his statement that the company is profitable and added that "it is mainly its share of the currently regulated defence services which the company would not want to maintain its share when the defence of computers, currently being deferred, is in due course resumed."

Giro staff to strike on Monday

BY ALEX HENDRY, LABOUR REPORTER

A PAY strike by Post Office computer staff will disrupt the Giro system from Monday and prevent an estimated £7m. worth of telephone accounts being sent out each week to customers.

At the Giro centre, Bootle, Lancs., 120 computer staff, members of the Civil and Public Services Association, will strike on Monday and Tuesday, the first day of a three-day strike. The pay row stems from a dispute over the pay scales of the lowest grade of staff, who are the lowest paid in the civil service. The strike is the first in the history of the civil service since 1970. Colleagues at three other Post Office computer centres in London, Edinburgh and Derby, per cent. flat rate increase, a total of 226—will start their strike on Monday. They will not work until there is a settlement of their claims. Mr. Alister Graham, CPCS general secretary, said yesterday that the strike would be a "one day" strike, but that the union would call out on Monday and Tuesday, the first day of a three-day strike. He added that 2,000 clerical and auxiliary staff at the Giro centre have offered to come out in sympathy. Mr. Graham also said that the delay in sending out telephone accounts would leave the P.O. short of money and it would have to seek loans from the Government to tide it over.

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Watney to post new Truman bid to-day

BY KENNETH GOODING

WATNEY MANN will post to-day the documents carrying formal details of its new £47m. bid for fellow brewers Truman Hanbury Buxton.

And once Grand Metropolitan Hotels, rival suitors for Truman, has had an opportunity to see the documents it will make up its mind whether to increase its own terms to better those of the latest Watney effort.

Mr. Stanley Grinstead, joint managing director of Grand Met, admitted yesterday a new offer from his company—its fourth—could not be ruled out completely.

Both bidders stayed out of the stock market most of yesterday at the request of the Takeover Panel. S. G. Warburg, advisers to Grand Met, had asked for Guinness Mahon, bankers to Watney, to clarify some points made in its statement on Thursday.

Few bought

One of the major points was about the unusual financing method Watney has arranged for its market purchases. Watney has agreed with some institutions to pass on at a discount Truman shares bought in the market—but only if its bid is declared unconditional. The Truman shares would then be taken at a small discount by the institutions, who would accept the Watney bid package.

As a result of the Panel consultations, very few Truman shares were picked up by either of the rivals yesterday. They reflected this by closing unchanged at 435p last night, slightly above the value of the Watney proposed terms still worth 432p.

There were purchases on Thursday. Watney picked up 98,265 Truman at an average of 429p each while Grand Met bought 67,000 Truman at an average of 430p.

Reply by Cunard to bid delayed

By Sandy McLachlan

THE CUNARD Board's reply to the Trafalgar House Investments bid is not now expected until after the week-end. It appears that Cunard and its financial advisers, S. G. Warburg, have not been able to finalise and print the reply in time to meet the Friday posting deadline which Sir Basil Smalpeice, the Cunard chairman, had hoped to meet.

It was suggested in some quarters that Cunard might want to base its defence against Trafalgar on longer term profit forecasts than are normally acceptable in official takeover documents. In this case it would be necessary to clear such forecasts with the Takeover Panel, which could be a factor in the delay.

THE £ ABROAD

	Close July 30	Close Previous
New Zealand \$	22.418-318	22.415-318
Do. 11 months	20.640-08	20.637-07
Do. 6 months	20.640-08	20.637-07
Do. 12 months	20.640-08	20.637-07

UCS shop stewards in 'take-over'

BY ANDREW HARGRAVE, SCOTTISH CORRESPONDENT

GLASGOW, July 30. MR. ROBERT C. SMITH, now officially appointed liquidator for Upper Clyde Shipbuilders, today announced measures to carry on the business until the Government forms a new company, as shop stewards carried out their promised "take-over" of the yards.

This morning they manned gates at the doomed Clydebank yard, the former John Brown, and put token forces into the other two yards and the Linthouse steel factory still on holiday. They checked people and lorries carrying supplies entering the yard.

1,000 or so around the end of September. He put the date for the run-down of the Scotstoun yard towards the end of the year and that of the Clydebank yard by next March.

He also announced the early resumption of work on three ships suspended earlier this month, but was non-committal on the 13 ships for which orders have been placed but not yet started.

Support

To-night a special meeting of the Scottish TUC heard a report from the UCS shop stewards. Mr. Benn also reported on the line to be taken by the Labour Opposition at next Monday's debate on UCS.

After the meeting, Mr. James Jack, general secretary, said that a further special meeting of the general council next Wednesday will be attended by Mr. Wilson as part of his visit for an on-the-spot view of the UCS situation. The general council, said Mr. Jack, reaffirmed its support for the UCS shop stewards' action and proposed to consult all its affiliated unions on the help they might give in the fight against the run-down of UCS.

He estimated that over and above the nearly 6,000 workers directly affected by the run-down, another 14,000 could lose their jobs in ancillary trades. Mr. Davies' statement in the Commons, he added, filled the General Council "with disgust and resentment."

The take-over of Clydebank was enthusiastically endorsed by a mass meeting of over 2,000 people, including some managers. Continued on Back Page

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Your savings and investments

Decontrol of exports is good for metal merchants

BY STANLEY GUYER AND WILFRID PICKARD

FOLLOWING the lifting of controls on the export of most types of scrap metal, shipments of ferrous scrap have jumped sharply ahead. In May, the latest month for which figures are available, they amounted to 92,000 tons compared with only just over 11,000 tons in January when the restrictions applied.

The increase is not surprising, however, as British prices for scrap metal have been held well below the world's level. They are now expected to draw in line.

This change in price structure could provide the long awaited boost to margins on scrap. Not that the profit records of the metal merchants have been poor, but the interim statement

from J. Saville Gordon Group—turnover £10.6m (£8m.) but pre-tax profits of £309,000 (£230,000, including £23,000 special profit)—highlights the problem.

Prior to last year Saville Gordon had produced a good record of rising profits and pushed equity earnings up from the equivalent of 3p a share when the company came to the market in 1967 to nearly 9p a share in the year to April, 1970. Similarly adjusted for the 100 per cent. scrip issue, the dividend has been increased from 9.4 to 40.5 per cent. Part of the expansion has come from acquisitions and part from its internal growth. Not the least interesting of this is the Dusseldorf based subsidiary it set up in 1969. Now at 58p yielding 7

per cent. the 6.0 price earnings multiple is not looking for much in the next report and is discounting even less in terms of future recovery.

Another metal merchant, Tom Martin appears to have withstood the recent metal price fluctuations quite successfully. Aside from the Coley Metal acquisition last year, Martin's own profits increased by 7.5 per cent. in 1970 and group earnings, including Coley, rose from 4.7p to 5.8p a share. Benefits from the Coley take-over are expected to show through in the 1971 group accounts. At 88p the 3.6 per cent. yield and 14 p/e reflects this situation although the growth potential still leaves room for the share price to recover to its 1970 adjusted high point of 120p.

WHAT THE BROKERS SAY

In their second study of the construction industry Greene and Co. have looked primarily at the medium size companies. From a wide area of some 40 firms a "main recommendation" of GALLIFORD BRINDLEY emerges. It has the best growth rate—1180 per cent. trading profit increase over five years—of all the companies studied. Other choices are ERNEST IRELAND, F. J. C. LILLEY and for recovery BURNS ANDERSON.

Simon and Coates sees the present weakness of BRITISH AMERICAN TOBACCO as a buying opportunity. An 8 per cent. increase in trading profits is looked for although this will be pared down at the earnings level. Principally, however, it is argued that any major diversification could lead to BAT's being re-rated. Also studied in depth by the same broker BSR is recommended on the prospects for the cartridge recording market and the acquisition of Bulpitts which will broaden BSR's product mix.

In a "Retail Review" Capel Cure Carden suggests that the stores and food retailing sectors, which over the past year have outpaced the All-Share index will "see a quieter tone develop during the coming month." But on the longer view the broker's choice of shares to benefit from higher spending are the departmental stores DEBENHAMS, HOUSE OF FRASER, SEARS, GUS and UDS.

Likewise basing their case on an expected upturn in consumer spending next year Fielding, Newson-Smith are in favour of buying COURTAULDS now. The argument being that with the results for last year now out of the way the share price will not wait for the recovery in profits from the investment in new equipment. This broker also makes the case for clearing banks. Even after a 50 per cent. rise in prices, the shares are selling on an investment rating that is well below average. BARCLAYS is seen as the most attractive.

Unit trusts

BY KEITH LEWIS

THE GLAMOUR of offshore funds has been removed by three factors: legislation, the IOS and Gramco affairs and poor investment performance. And many of the seemingly advantageous freedoms these funds have enjoyed over conventional unit trusts have been seen to work in reverse.

Many were launched during 1969 when the "offshore" concept was very much in vogue, but at the same time that world stock markets were peaking. Over the first six months of 1970, the Dow Jones, Sydney and P.T. Industrial Ordinary indices had all lost 15-16 per cent., while Tokyo, which had seemed almost unstoppable, dropped 10 per cent. By the end of that year New York had picked up to show a small gain on balance but the Australian and Japanese markets had continued on the downward spiral and London had remained at the same depressed level.

Anticipated gains

The "gearing" of such funds has been able to introduce—in other words, the money they could borrow to plough into the market in order to exaggerate the anticipated gains—merely worked against the managers in the bear market. The absence of any penalties on switching within the portfolio (as opposed to the capital gains deterrent in the U.K.) prompted managers frantically to turn over stocks at high rates, and as fast as a fund was disinvested from one market into another the malaise caught up again and the overall depression was compounded.

The result of this has been bad performance and subsequent disillusionment, and many of the unit trust groups in this country, which have offshore operations, have placed such funds virtually into cold

storage. It is significant that Save and Prosper and M and G both saw fit to launch authorised unit trusts specialising in Japanese securities, presumably because they could then promote them in the normal way and because the offshore label was no longer a desirable one.

From the U.K. residents' point of view the advantages of offshore funds have never been that great, though investors in this country probably account for roughly half of the funds backed by U.K. groups. The last Budget introduced measures which further diminished their appeal (and that of orthodox unit trusts as well)—the abolition of short-term capital gains tax and the exemption of the first £500 of investments (not gains) from capital gains tax tending to encourage direct equity investment.

Some truth

Those funds specialising in Australia still have some of the best long-term records, though naturally the shake-out in that market has taken some of the cream off the top. Pan Australia External, while down 76 per cent. at the end of 1969, is now up 76 per cent. in its life, years. The managers' claim there is possibly 6-7 p.e. downside potential now 50-60 per cent. upward may have some truth in it.

However, there is no that for the more cautious investor, the most sensible method of investing in offshore funds is life assurance policy. It does this iron out a lot of peaks and troughs but the often further tax advantages of the groups operate schemes but publicity is down to a minimum because it is feared that over-pror would cause some concern the authorities, since schemes effectively since Prevention of Fraud (Investments) Act.

Motor components

THE MARKET has not been slow to appreciate the higher potential for the manufacturers of car components. There has been some evidence of better earnings in the industry and recent orders from Germany worth over £6m. have been seen as a breakthrough, having the possibility of substantial expansion of sales on the Continent.

Among the companies that would benefit from this there is Robert B. Massey which, after a poor year in 1969, has since more than doubled its earnings to 5.9p a share. Recently it has set up a joint company in Belgium to manufacture refrigerated vehicles for the transportation of food. Group activities include coachbuilding, distribution of cars, commercial vehicles and agricultural machinery in addition to motor components.

First-quarter results were encouraging and the current year could see a worthwhile rise in profits. At 80p the shares yield only 3.3 per cent. but give scope for growth on a p/e of 12.7.

Acquisition of Willenhall Motor Radiator has widened what Howard Tenens Services

has to offer beyond its export packing services. Dependence on the motor industry has created problems at times, but has been the basis for the good growth record over the past few years. The group's aim is to provide a series of integrated home and export services, and products to the motor industry. With established warehousing

POINTS IN BRIEF

IN A MARKET sector that is now at an all-time high, Sir Lindsay Parkinson, civil engineers has lagged behind and the shares are looking relatively cheap. From a turnover of £26.2m., some 12½ per cent. above 1969, pre-tax profits were £924,000 (£823,000) last year, due largely to increased costs on fixed price contracts. But current work in hand is now 40 per cent. higher at a record of £70m. and overseas operations are beginning to contribute to profits. At 155p yielding 4.4 per cent. with a price earnings multiple of 9.2, the rating is well on

and distribution functions and its proven management ability Howard Tenens is in a good position to raise profitability. But expansion through purchase may provide the greater proportion of future growth. At 162p the prospective p/e is 11.9. The next 12 months could see a significant upgrading of the shares.

the generous side of the index average, and 24 per cent. below its previous peak.

Since it came to the market at the equivalent of 120p in November 1968, Sealed Motor Construction has done all, and more, that was expected of it in terms of profits growth. Pre-tax they have risen from £486,000 to £762,000 in two years. But after jumping initially to 220p the price of SMC is now back to 146p—yield 3.1 per cent., p/e 17.1—and is looking set to move ahead again. The company manufactures circulating pumps for domestic and industrial central heating systems.

COMMODITY SHARES

Mitchell Cotts set to make up lost ground

BY JAY PALMER

ACCORDING TO at least one conventional measure of growth, Mitchell Cotts' performance does not come out anywhere near the top of the league. Adjusting the group's earnings per share for increases in capital, the forward progress since 1965 is precisely nil. However, statistics are flexible; the group argues that a similar exercise, conducted by an in-house economist, produces an earnings' rise of a fifth or more.

In any case the measure of earnings' growth has never seemed important to Mitchell Cotts share rating. Regardless of the fact that cash in the company's hands should be worth more than with the shareholders, the group has always tried to maintain a full—or nearly full—dividend distribution, and consequently the shares are primarily yield orientated.

Return on capital

Over the past five years the dividend cover—excluding miscellaneous receipts—has never exceeded 1.2 times, and for the past two years the group has made a maximum distribution. With all this implies for cash flow, the chairman, Kenneth Dick, suggests that a more sensible measure of progress is the return on net capital employed.

It so happens that from a 4.1 per cent. in 1961, the pre-tax and pre-interest profit return increased to 15 per cent. in 1968 before falling back to just over 12 per cent. last year. Over the same ten years, the actual net capital employed all but doubled to £34m.

Whatever academic and mathematical arguments are applied to measure progress or decline, the market is obviously more interested in maximisation of the total return—whether by share price appreciation or dividends. Perhaps then the most important factor of all is that the actual adjusted dividend steadily increased from 11p a share in 1961 to over 3p a share last year. Against this, the share price has risen from an all-time low of 11p in 1962 to an all-time high of 76½p in 1969. Currently the shares are standing at 58½p where they are yielding 8 per cent. and selling on 12 times 1970 earnings.

During the annual meeting last December, Kenneth Dick indicated that "the overall progress of Mitchell Cotts should continue." In spite of the profits for the first six months of the current year to last June being more or less unchanged, this prediction still holds good.

In common with most other overseas traders and merchants, Mitchell Cotts points out that its turnover figures have little value. So splitting pre-tax profits geographically, we can see that last year about 27 per cent. came from the U.K., Europe, the Americas and Australia.



Kenneth Dick

About 16 per cent. came from South Africa, 43 per cent. from East and Central Africa and the remaining 14 per cent. or so came from North Africa and the Middle East.

So far as there is a trend, it does appear that the main emphasis is being placed on growth within the first group. However, given that last year's South African profits were depressed by exceptional factors, the recovery there may overshadow the organic growth elsewhere.

In 1970 the S. African pre-tax profits dropped from £1.73m. to £1.34m. mainly due to losses in contracting following labour shortages, delays in material supplies and rising costs. However, after writing off some £0.6m. worth of unprofitable contracts, the group was well set

to make the most of the upturn this year. Indeed, with this subsidiary reporting preliminary results some weeks before the main group in London, its results could be taken as an indication of the main group's progress.

While the profits from the U.K., S. Africa, Belgium and the Americas will probably be ahead, they will probably have to offset the expected downturn in Australia, the Sudan and Uganda.

The Australian slowdown appears to be due to two factors.

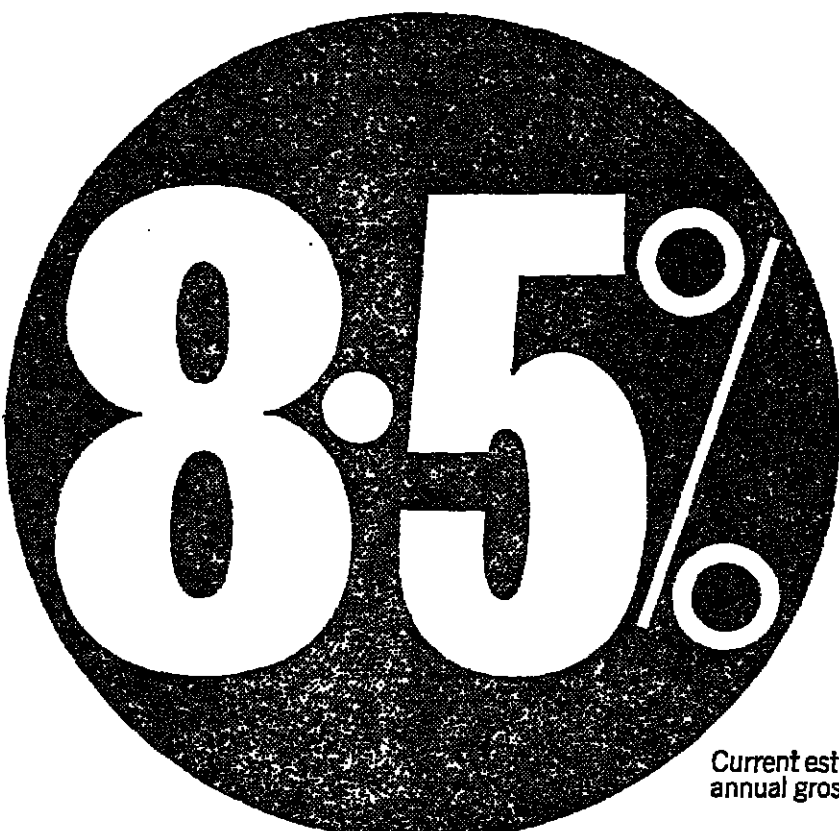
Following some lengthy negotiations, the whole idea—at least as far as Mitchell Cotts is concerned—has been cancelled, and the group is back to square one. While this will have had little effect on the year's profits, it does seem likely that there will be a small profit biccough given the effects of the April and May droughts on the tea yields.

In the Sudan, the position is far less hopeful and there has been no progress whatsoever in the compensation negotiations since the recent political turmoil. Following the nationalisation of the group's interests in May 1970, the whole question of compensation was laid before a special governmental board which has yet to make its decision. It does seem likely that the award—based on a low valuation of the group's assets—will be paid in low yielding unnegotiable Government bonds on long redemption. While the loss of the Sudanese profits—about £400,000 to £500,000 gross in 1970—will not amount to all that much in terms of the group's net performance given that these profits were highly taxed in the Sudan, there will be a very real loss in London earnings. In the past, the London profits from buying and insuring goods bought for and shipped to the Sudan amounted to about £0.75m.

Trouble spots

In spite of this, the group still confidently expects to meet its implied forecast of better profits, and this is no less than its history would suggest. In the past Mitchell Cotts has successfully disinvested out of many world trouble spots (including Aden, Saudi Arabia, Syria and Egypt), and the loss in earnings has always been quickly made up.

With such a historical tradition of compensating for lost earnings and at the same time largely avoiding political embarrassment in the sensitive African countries, the group does not deserve a "low quality" earnings tag. However, the very nature and spread of the activities means that the share are unlikely to be re-rated to any large extent by the market.



22% up since 1st January, 1971.
44.8% up since units were first offered in March, 1965.

In seeking high income from your investments, you should not ignore the opportunities for capital growth.

Most fixed interest investments such as bank deposits, building societies and national savings provide no growth prospects and often offer lower rates of interest.

By investing in Vavasasseur High Income Trust you can obtain not only the high income you are seeking but prospects of capital growth also.

With improving profits likely to come from the measures introduced in the October, March and July budgets, together with the benefits which may accrue from our probable entry into the Common Market, we

believe that share prices are likely to continue rising.

The portfolio is concentrated in:

U.K. Industrial Shares 51%;
U.K. Ordinary Shares 13%;
Commodity and Plantation Shares 30%;
Miscellaneous 6%.

Preference shares have been avoided because they seldom offer growth prospects.

Remember the price of units and the income from them can go down as well as up.

The Managers urge you to invest now whilst many shares still offer a combination of high yield and good recovery prospects.

Vavasasseur High Income Units

are now on offer at 36.2p each until 7th August 1971.

To take advantage of this offer, simply complete and post the application form below, enclosing the remittance. The minimum investment is 200 units and thereafter in multiples of 20. The table of unit costs is set out below.

Shares and Gilts Exchange scheme—a means to obtain a spread of investment in shares without the risk of investing in individual shares.

Under this scheme you can exchange for units, quoted securities and Government Securities. You may receive a favourable price, and the sale of the securities would be free of commission and stamp duty. For details, tick box in application form.

Payment of income (If you take advantage of this offer of units you will receive your first distribution of income on 22nd December, 1971, the second on 22nd June, 1972, and thereafter twice yearly on those dates. The vouchers which accompany the distributions will be accepted by the Inland Revenue in support of a claim for relief of tax.)

The offer may be closed earlier should the price vary by 2.5% or more. After the close of this offer units will be available at the daily quoted offer price. Current offer and bid prices are quoted daily in most national newspapers, and are calculated in accordance with the Department of Trade and Industry Regulations.

An initial service charge of 6% is included in the offer price of the units. Out of this the Managers pay all costs in connection with the sale of units, including 1.5% commission and on orders received through recognised agents. To meet administration costs of the Managers and the Trustee, a half-yearly service charge of 1/10th of one per cent is deducted from the gross income of the Trust.

The Trust was constituted by a Trust Deed dated 16th September 1969 and authorised by the Department of Trade and Industry, Advertising Supplemental Deeds are dated 22nd June, 1970, 25th September, 1970, and 16th May, 1971. Copies of the Deeds may be obtained from the Managers.

The Trustee: Bank Executor and Trustee Co. Ltd.
The Managers: Vavasasseur Unit Management Limited, Dominion House, 37-45 Tooley Street, London SE1. 01-407 8751. (A Member of the Association of Unit Trust Managers.)

Table of unit costs		
200 units \$72-40	1,000 units \$365-00	5,000 units \$7,310-00
300 units \$101-00	2,000 units \$724-00	10,000 units \$2,820-00

To Vavasasseur Unit Management Ltd, Dept. C, Dominion House, 37-45 Tooley St, London SE1
Sales Office: telephone 01-407 8751 (24 hour answering service).

I/We wish to buy _____ units in VAVASSEUR HIGH INCOME TRUST at 36.2p per unit (minimum holding 200 units).

I/We enclose a remittance of £ _____ payable to Midland Bank Limited. (Block Capitals Please)

Signature(s) _____
Mr. Mrs. _____
Christian or First Name(s): _____

Address: _____

☐ Tick this box for automatic re-investment of net income. ☐ Tick this box for details of monthly Savings Plan. ☐ Tick this box for details of Share Exchange Scheme. ☐ Tick this box if you are an existing Vavasasseur unitholder.

Vavasasseur
GROUP OF UNIT TRUSTS

High Income Trust

Finance and the family

Accounts for remaindermen

OUR LEGAL STAFF

accounts have to be d to remaindermen on property among them death of a life tenant? accounts showing the capital comprised in late, and the various nts which have taken n capital account since at. In other words, t accounts for the dermen to be able to hat the sum which you ceed to divide among really does accurately nt the original capital.

ily wances

this year you reported e High Court had decided through the wording of 9 Finance Act was the phrase "for each ce if more than one" e interpreted literally in t of the claw-back on allowances. As a result ared that a lot of families e due for a tax rebate. he 1971 Finance Bill this and, if so, how? 71 Finance Bill proposes ore the law in respect of aw-back on family allow- restroductively. Indi- therefore who have not ed such a claim will not e to obtain any tax t. Those individuals who pursued such a claim will e liable to repay the tax to April 5, 1971.

thods of unage

ntly built a house with ic tank, but mains sewage lid past my house to I do not wish to be ed. In a reply on ry 16 you said that a authority could not force equirer to change his od of drainage, provided xisting method was ate. Does this apply to and? answer to the question e the same in Scotland. local authority could force to change your method of age, but only if your nt arrangements were euate. The fact that you ot use the local authority ge system does not, how-

ever, affect your rates or rate- able value, so you pay no less for not using it.

An outstanding mortgage

The lawyer of the builder who built my house gave an undertaking to pay off the mortgage within 14 days of completion. This has not been done and the builder is in the hands of a receiver. The building society is pressing my solicitor to pay. What should I do?

The situation is that the mortgagees of the whole of the land, not having been paid, are undoubtedly entitled to be paid, and, if they are not paid, they are in a position to sell the land and recoup themselves out of the proceeds.

We think that you will have to have recourse against the builder's own lawyer, who gave his undertaking in relation to the discharge of the mortgage. The building society's threats

I have lived abroad most of my life, but am contemplating retiring to England, whence I already draw part of my income. If I bought a house in England before my return, might it affect my tax position adversely? When I return how will my pension and my overseas investment income be treated taxwise?

We assume that none of your present employment duties are carried out in the U.K. On this basis you would not be treated as resident in the U.K. merely because you bought a house here so there would be no change in your present tax position as a result of the purchase of a house.

When you retire to the U.K. and take up residence (we assume that you are domiciled in England) you will be liable to U.K. tax on the income from money invested outside the U.K. as it arises. Any foreign tax already suffered on that income will be available for credit against the U.K. tax liability.

should be redirected to him. However, we consider that your own solicitor was taking a very big risk on your behalf in relying upon an undertaking—even one from a fellow solicitor—instead of refusing to complete whilst the mortgage was outstanding. If you cannot ultimately recover from the builder's solicitor for any reason you will undoubtedly be able to recover from your own solicitor.

Title deeds in Scotland

Referring to the first item in your issue of May 1 under the heading, Missing Title Deeds, does the position differ in Scotland? Would authenticated copies of dispositions made from HM Register House, Edinburgh, meet the situation?

What gives you the real title to your land is what goes in the Register. It follows that an

authenticated copy of what is on the Register is just as good evidence of the title as the original deed. Many solicitors do not like accepting such copies, but there is no reason why they should not, and they must accept them.

A negligent decision

A bank and a solicitor are company executors and co-trustees of my late father's estate. The bank, without consulting the co-executor, failed to convert some stock, as to which the latter said he would certainly have advised it to be done if he had been consulted, and as a result the estate suffered a substantial depreciation. However, the solicitor says that if I wish to take proceedings against the bank, he cannot act for me as his firm already acts for the bank. What do you think I

should do? Could I apply to have the bank replaced?

This appears to have been a clearly wrong and negligent decision taken wrongly by the bank alone, and we consider that you or any other beneficiary would have a good cause of action against the executors—now trustees—for negligence accordingly.

We can see the difficult position in which the solicitor is placed, since as one of the trustees he will have to be one of the defendants to the action, quite apart from the fact that his firm act for the trustees as such.

Retirement from abroad

So far as your pension is concerned this will only be liable to U.K. tax if remitted to this country so that it is possible to avoid U.K. tax by keeping the pension outside the U.K. In order to meet the U.K. exchange control requirements and at the same time to keep the pension outside the U.K. for tax purposes, it can be remitted to Jersey.

You also have to consider avoiding U.K. tax on remittance to the U.K. while you are resident here of past accumulations of employment income, foreign investment income and pension income. Even past accumulations of pension income will be assessable to U.K. tax if remitted here while you are resident. We have explained above that this position can be avoided by remitting the accumulations to Jersey.

No problem arises in connection with past accumulations of foreign investment income; these can be remitted to the U.K. when you become resident without any U.K. tax liability thereon.

So far as past accumulations of employment income are concerned you can avoid U.K. tax by remitting these accumulations to the U.K. either (a) in the tax year to April 5 prior to that in which you become resident in the U.K., or (b) in the tax year following that in which your employment ceases.

It is appreciated that you may have some difficulty in identifying how these various accumulations have been invested and you should take professional advice on this aspect of the matter.

We should also mention that it would be beneficial for you to sell and repurchase prior to becoming resident in the U.K. those investments which show a gain over your original purchase price. In this way you will be able to avoid U.K. capital gains tax on the element of any eventual capital gain which accrued prior to your becoming resident in the U.K. The repurchase of the shares should be effected in a stock exchange account separate to that in which the sale is made.

No legal responsibility can be accepted for the FINANCIAL TIMES for the answers given in these columns. All inquiries will be answered by post as soon as possible. No charge is made for this service except in relation to investment matters.

A negligent decision

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We can see the difficult position in which the solicitor is placed, since as one of the trustees he will have to be one of the defendants to the action, quite apart from the fact that his firm act for the trustees as such.

Right to trim bushes

Is one entitled to trim bushes which render walking along public footpaths dangerous or which could damage clothing?

It is always perfectly lawful to abate any nuisance which is a public nuisance, such as (in the present case) the obstruction of a public highway. You are therefore well within your rights in cutting off any such offending growths which impede your progress. You must not convert the parts cut off to your own use: normally you will simply leave them lying where they have been cut off.

Property bond taxation

The third paragraph of our reply last Saturday headed property bond taxation was incorrect and should read as follows:

The income of property bond and equity bond funds bears income tax at the rate of 37½ per cent, any additional tax paid being recovered by the fund under S.310 of the Income and Corporation Taxes Act, 1970.

Six farm policy disruptive—Humphrey

COMMON MARKET housewives probably spend an extra £2,500m. on their food bill—because of the EEC farm policy, which does not allow members of the Six to buy cheaply in world markets.

figures, the cost of the Six's national farm policies was about £1,750m. a year. To that must be added the £2,000m. a year of the common agricultural policy.

On top of that, high food prices in the Common Market probably cost consumers £2,150m. to £2,500m. a year more than they would pay if food were available at world prices.

This estimate of one of the costs of Common Market membership was made in London last night by Senator Humphrey, a former U.S. vice-president.

"Disillusioning"

He told a meeting of the Trade Policy Research Centre that the EEC's farm policy had become "a major disruptive force in world agricultural markets."

Unless the policy was reformed, the enlargement of the Common Market could have a further disillusioning effect on the U.S. attitude towards Europe, he said.

Senator Humphrey maintained that the EEC had taken a series of steps which added up to a shift from multilateral trade to the formation of a preferential trading bloc, contrary to the principles of the General Agreement on Tariffs and Trade.

That had brought about the rise in the U.S. of the slogan, "Foreign trade is not fair trade." American farmers had become more outward-looking, seeing the world as their market place.

Because Europe fixed support prices for key commodities at roughly double world prices, that stimulated the production of surpluses which were off-loaded on world markets at subsidised prices, he claimed.

So non-members of the Common Market club were losing markets both outside and inside the Community.

According to U.S. officials, the cost of the Six's national farm policies was about £1,750m. a year. To that must be added the £2,000m. a year of the common agricultural policy.

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Insurance

Disability cover again

BY JOHN PHILIP

FOLLOWING my description of the principal differences between annual and non-cancellable disability insurances I now want to concentrate on some features of these latter policies, which are still not widely sold. Partly this is because many of the companies seem to be looking over their shoulders at their past unsatisfactory experience and remain uncertain whether or not to broadcast the news that they are in this line of business. Nevertheless, at the present time there are some two dozen companies in the market, so that the prospective purchaser has a fair range of policies and premiums from which to choose.

Premiums

Taking premium first, obviously to make comparisons we must have a specific amount of benefit against which to measure premium and also have in mind a policy holder of a specific age. The following figures are given for a 35-year-old professional man buying benefit of £10 a week to retirement at age 65.

For a policy that pays after a waiting period of 13 weeks, the annual premium will range between £9.80 and £14.70, the most expensive policy costing roughly 50 per cent. more than the cheapest. There is a similar price range if he requires a policy to pay only after 6 months have elapsed; the cheapest policy here is £9.10 and the most expensive £12. Despite this price range there is only a pound or so's difference of between the majority of insurers, so premium in itself need not be the decisive choice factor. Premium is, of course, related to insurers' exclusions and the prospective purchaser should look carefully at the range of excluded sports, pastimes and so on before making his choice of company.

Though insurers' age limits for acceptance are in the same broad bracket—20-55—a few insurers recognise that 18 is now the new age of majority and will accept proposals from new adults. At the other end of the age scale a few insurers will sell cover to proposers in the 55-60 age bracket. Several others set their upper age limit not at any fixed age but 5 or perhaps 10 years in advance of the proposer's expected retirement

date. This in practice for the majority of proposers brings insurers back to a 55-60 age limit for acceptance.

Insurers have a further difference of opinion over the question of whether the policyholder should be required to continue paying premium for his cover during any period of disability for which he receives benefit. Roughly half the market is prepared automatically to waive premiums in such circumstances, but the other half require extra premium before agreeing to such a waiver.

Traditionally the amount of benefit agreed at the outset is a level sum payable however long the period of disability lasts. So the policyholder who suffers long-term disablement in these inflationary times inevitably must see the purchasing power of his insurance diminish. A development, which is gathering the support of an increasing number of companies, is the offer of cover with increasing benefits, normally in the range of 2½ to 3 per cent. per year compound.

Medical evidence

As in the life assurance field, all insurers require medical evidence. So no one should be misled by the phrase "non-medical limits" because in any event he will have to complete an extensive proposal form answering a number of questions about his health. Depending on his age and/or the level of benefit he wishes to obtain, the proposer may have to submit to a physical examination by the insurers' doctor.

Just as annual disablement policies can be written both for individuals and for groups, so too can non-cancellable cover be arranged. Here also there are upwards of two dozen insurers offering cover. So any employer contemplating establishment of a sick pay scheme for the welfare of his staff should consider whether or not to spend the extra premium required for a non-cancellable scheme rather than cut his costs and moreover the protection afforded his staff, by opting for the more usually purchased annually renewable scheme.

Non-cancellable group schemes can be arranged for as few as five members though most insurers prefer to have at least 10 and often more. Almost with-

out exception group cover includes automatic waiver of premium for any member of sick and receiving benefit. Moreover, the great majority of companies are prepared to issue policies with increasing benefits. So, broadly speaking, group cover can be more advantageous for the group member than an individual policyholder.

Turning now to the tax aspects, the individual policyholder cannot claim any tax relief on his premiums as he can on life assurance premiums. Strictly his benefit is taxable but as a matter of practice the Inland Revenue do not tax disability insurance benefit (whether under an annual or non-cancellable policy) until the policyholder has had benefit paid for a full tax year. Thus, most policyholders will never be called upon to pay tax on their insurance money. When tax does become payable, benefit is reckoned as unearned income. With the group schemes different tax rules apply. The premiums the employer pays are normally treated as a business expense which can be set against the Revenue's demands for corporation tax. The advice of an accountant or other tax expert is advisable as to the precise terms by which benefit under a group scheme reaches the employees.

Tax rules

If the cover is arranged for the employer to go on paying his staff throughout prolonged incapacity, then from the employer's side the benefit is taxed as income in his hands while from the employee's point of view the weekly policy benefit is treated as income from the outset and the employer will have to make PAYE deductions, which should balance his own tax liability. If, however, the benefit is payable by insurers either direct to the employee, or to trustees on his behalf, then the benefit is treated as unearned income, as under an individual policy, so the employee has to be paid for a full tax year before he becomes liable to tax. In this kind of scheme payment is made gross to him.

I should add that these rules apply to non-contributory schemes and that with those schemes where employees contribute part or all of the premium expert advice should be obtained on tax aspects.

TAXATION AND THE INVESTOR

Proposed reforms in Canada

BY JOHN CHOWN, TAXATION CORRESPONDENT

FIFTEEN YEARS of discussion, Canadian Government has now published a Tax Bill which is intended to make sweeping changes in the whole system of taxation. The Bill is, of course, yet law, and must go through various Parliamentary stages or the summer recess. It is intended to come into force on January 1, 1972, although some of the proposals have a later retrospective date for transitional reasons.

Both the Carter Royal Commission, which reported in 1968, and Mr. Benson's own White Paper, published in November, 1969, aimed for a 50 per cent. rate of personal tax coupled with broadening of the tax base, mainly by the introduction of a Capital Gains Tax. It soon came clear that to implement a 50 per cent. top rate would be a politically unacceptable increase in the burden on the middle-income group.

Top tax rate

The top rate of Federal tax now to be 47 per cent. on taxable income in excess of \$80,000. The provincial governments would normally be entitled to affect 30 per cent. of the total tax due to the federal government and this will make the effective top rate 61.1 per cent. In addition, including this level, the old and new rates are much the same, but the old tax scale was being introduced in an income tax of \$400,000, beyond which the effective rate, including the provincial surcharge, was \$2.4 per cent. Some relief has, in effect, been given by cutting off the top of the scale. Within the framework of an expansionary Budget, it has also been possible to give substantial relief from the lower end of the scale, to exempt 750,000 people from tax altogether.

There are substantial increases in the deductions permitted for contributions to pension plans and other forms of deferred compensation. This will increase the influence of pension funds in the Canadian market. A tax penalty is being introduced which will effectively preclude pension funds from investing more than 10 per cent. of their assets outside Canada.

will be reduced by one percentage point each year until it becomes 46 per cent. by 1976. Private companies not controlled by public companies will pay 25 per cent. (to be reduced to 21 per cent. on the first \$50,000 of profits until their reserves reach a level of \$400,000).

Distributed profits will be taxed on the imputation system already familiar in France and as one of the alternatives put forward in the United Kingdom Green Paper on the Reform of Corporation Tax. Canadian resident shareholders will be entitled to treat a sum equal to one-third of the dividend as an imputation. If the actual dividend is \$300 (implying underlying pre-tax profits of \$900), a shareholder will have to declare the \$300 plus the imputation of \$100 as his taxable income but will be able to deduct the \$100 from the tax payable on the \$400. This is not as big a change as might be thought, as under the old system a Canadian shareholder could take a credit for 20 per cent. of the dividend without being required to treat this as an imputation. On the same \$300 dividend he would deduct only the \$300 but could deduct \$90 from his tax liability.

There appears to be no intention to extend the credit to non-residents as France is now doing. Non-residents will continue to suffer withholding tax at the rate of which is 10 per cent. for companies having the required "degree of Canadian ownership" (which means in practice nearly all portfolio investments) or 15 per cent. on dividends received by foreign but not on Canadian subsidiaries. It is intended to increase these rates to 20 per cent. and 25 per cent. after 1975, subject to the provisions of double tax agreements. It is expected that the agreements with countries such as the U.K. will continue to specify the present rates, and that the higher rates will only fall on "tax haven" residents.

The aspect of the reform most likely to interest the investor is that Canada is to introduce capital gains tax for the first time. The general rule will be that half the gain will be added to regular income, making the effective top rate of tax 30.55 per cent. for individuals. The same principle will apply to corporations which will therefore pay 25 per cent. on their gains. One day, towards the end of this year, the Minister of Finance will an-

nounce "valuation day." This will be the equivalent of "Budget Day 1965." For assets held prior to the start of the system, taxpayers will have the choice of using actual cost or valuation day value as the starting point. The position is substantially the same as in the U.K. and is a variant on what was originally suggested. The proposals to charge tax at full income rates for transactions in non-Canadian shares and to tax unrealised gains every five years have happily been dropped.

Non-residents will not be subject to capital gains tax on their investments in Canadian portfolio securities. Subject to double tax agreements, it is proposed that there should be a liability on the disposal of real property in Canada, on business assets, on shares in Canadian private companies and shares in Canadian public companies where the non-resident applies either alone or with associates owned 25 per cent. or more of the capital during the previous five years.

Emigrants

Emigrants from Canada will be treated as having disposed of all their assets at market value on the day they leave the country, subject to an exemption for the first \$5,000 of gains. Immigrants will be taxed as if they had disposed of their assets and immediately reacquired them at market value on the date of their arrival. In other words, individuals who change residence will be taxed on gains whether realised or not, accruing during periods of Canadian residence but not on gains accruing while they are resident abroad. There is a procedure by which emigrants can, given suitable security, defer paying tax on capital gains at the time they leave.

Capital gains tax will be imposed on assets passing on death or by way of gift, but no tax is payable on gifts or bequests between husband and wife or to trusts giving the surviving spouse a life interest. The Canadian Government recognises that to impose capital gains tax and estate duty on the same occasion would be an unreasonable burden. They have chosen the opposite solution from that adopted in our own recent Budget and are abolishing Federal estate and gift taxes. The provinces will, however, continue to have the right to impose such taxes.

Canadian investment companies and mutual funds will continue to be able to channel dividend income through to the shareholders without penalty. The introduction of a capital gains tax introduces the old problem of potential double taxation of gains. If nothing special were done, an investment trust would have to pay gains on its own realised gains. When the investor came to realise his shares in the investment trust there would be a second level of tax.

The solution to be adopted in Canada will be to tax the gains realised by the trusts at 25 per cent. in the first instance but to permit the after-tax gains to be allocated to a "capital gains dividend account." An investment company or mutual trust can either the same year or later, distribute capital gains dividends and make a reclaim of tax. The shareholder treats the capital gain dividend as if it were a capital gain. This is a more equitable procedure than the U.K. certificate procedure as it enables the shareholder to take advantage of a personal effective rate of tax on capital gains of less than 28 per cent.

More important, we have now had confirmation that it is intended that capital gains distributions shall not suffer withholding tax when paid to non-residents. This means that a non-resident who invests via a Canadian resident investment trust does not suffer capital gains tax providing that the trust distributes all its capital gains. In contrast, a non-resident investor in a U.K. investment trust or unit trust would be unable to reclaim the capital gains tax suffered on the trust itself.

In the U.S. both the distribution and the certificate procedure have been available. Since it was made clear that distributions to non-residents were not subject to withholding tax, one of the major disadvantages of U.S. regulated funds to non-residents has been removed.

The doubts I expressed in earlier articles and in the new edition of the International Fund Year Book have been removed. Non-resident investors can now work on the assumption that Canadian investment companies have virtually all the tax advantages of offshore funds registered in tax havens, plus the considerable additional advantages of close regulation to protect the public.

Six farm policy disruptive—Humphrey

COMMON MARKET housewives probably spend an extra £2,500m. on their food bill—because of the EEC farm policy, which does not allow members of the Six to buy cheaply in world markets.

This estimate of one of the costs of Common Market membership was made in London last night by Senator Humphrey, a former U.S. vice-president.

"Disillusioning"

He told a meeting of the Trade Policy Research Centre that the EEC's farm policy had become "a major disruptive force in world agricultural markets."

Unless the policy was reformed, the enlargement of the Common Market could have a further disillusioning effect on the U.S. attitude towards Europe, he said.

Senator Humphrey maintained that the EEC had taken a series of steps which added up to a shift from multilateral trade to the formation of a preferential trading bloc, contrary to the principles of the General Agreement on Tariffs and Trade.

That had brought about the rise in the U.S. of the slogan, "Foreign trade is not fair trade." American farmers had become more outward-looking, seeing the world as their market place.

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Motoring

Golf

Bridge

Answering service

BY E. P. C. COTTER

THERE IS such a wealth of new conventions and strange gimmicks forced upon the Bridge world that it is almost impossible for any player, even the regular tournament competitor, to keep track of them. Seeing the need for some book of reference, Terence Reese has recently brought out *Bridge Conventions*. *Finesses*, and *Coasts* (Constable £11). This attractive paperback lists alphabetically not only the bidding conventions but also the coups and tactical moves in play, which are described with the author's customary conciseness and clarity.

Many players who have only an imperfect understanding of when the hold-up with a double stopper in the opponents' suit ought to be employed, will find that this book comes to their aid. Let us consult *Hold-up Play* and find this hand:

N.		E.	
♠ A92	♦ J7	♠ K83	♦ 102
♥ KJ4	♥ 98763	♥ J5	♥ AK764
♣ 965	♣ A4	♣ KJ952	♣ Q1073
♦ KQ8	♦ J742	♦ J94	♦ 52
S.		S.	
♠ A92	♦ J7	♠ A92	♦ J7
♥ KJ4	♥ 98763	♥ KJ4	♥ 98763
♣ 965	♣ A4	♣ 965	♣ A4
♦ KQ8	♦ J742	♦ KQ8	♦ J742

East can return a spade to knock out one of the stoppers, but when he gets in with the diamond Ace, he has no spade to send back. The hold-up has deprived East's entry of its value, and this gain of a tempo is enough to bring home the contract, and fails only if the defender with five spades has both the diamond honours.

Now let us turn to *Trumps*. *Promotions* and put ourselves in West's seat:

N.		E.	
♠ 95	♦ 102	♠ 95	♦ 102
♥ Q1093	♥ AK764	♥ Q1093	♥ AK764
♣ A84	♣ Q1073	♣ A84	♣ Q1073
♦ K1076	♦ 52	♦ K1076	♦ 52
S.		S.	
♠ A92	♦ J7	♠ A92	♦ J7
♥ KJ4	♥ 98763	♥ KJ4	♥ 98763
♣ 965	♣ A4	♣ 965	♣ A4
♦ KQ8	♦ J742	♦ KQ8	♦ J742

East deals at a love score, and after a pass South bids on spade. North has a difficult response but decides on two clubs, and raises his partner's rebid of three spades to four spades.

West gets off to the best lead of the Knave of hearts, which is covered by the Queen and King. East sees nothing better than to continue with the Ace and another heart, and the declarer ruffs high with the Queen of trumps. If West had held ten instead of the eight of spades, he would have been confronted with a familiar situation and would have seen that he could promote two trump tricks for himself by refusing to over ruff. As the cards lie, the prospect of making a second trump trick is by no means certain, but West discards all the same, as it cannot be to his advantage to overruff. The refusal to overruff is generally right in such circumstances.

West reaps the reward for his foresight when his partner turns up with the ten of spades. This is enough to promote the eighth and establish a second trump trick to defeat the contract.

They nearly had 59's

BY BEN WRIGHT

CRANS-SUR-SIERRE, July 30. TWICE within an hour on this glorious sunlit evening high in the Alps, the magical but so elusive score of 59 in a professional tournament—12 under the par here of 71—came within inches of being accomplished in the third round of the Swiss Open Championship.

First, Peter Townsend smashed a great drive up the slope through the narrow avenue of giant fir trees to the 18th green 310 yards away and immediately started thinking of the eagle two that would have put him 11 under par. This would have meant that he had only to make one birdie three at either of the last two drive and flick holes to score 59.

Narrow miss

Alas, when he reached the green the ball was fully 40 feet from the hole. Townsend's marvellous putt tipped out, and so he now required two threes to finish in a total never recorded in an official tournament anywhere in the world.

Once Sam Snead scored 59 on his home course at the Greenbrier Club, White Sulphur Springs, Virginia, in a tournament named after him. But this was not an official USPGA event. Until this evening Tom Haliburton first round of 61 in the Scottish tournament of 1952 at Worthing ranked as the British tournament record.

This appeared to be at Townsend's mercy when he pitched six feet from the 17th hole. But the mental barrier that makes the figure of 59 so difficult to achieve fell like a guillotine on the neck of the 24-year-old Englishman. He hooked the putt so badly the ball did not even touch the hole, and from 11 feet at the last, poor Townsend repeated the mistake. And so a magnificent score of 61, including an inward half of 29 shots that beat the course and championship record by three strokes, became almost disappointing.

It was all the more so half an hour later when the gangling 18-year-old Italian, Baldovino Dasso, British Youth Champion last year at Dalnahooy and a professional for only four months, came to the last hole needing to hole his second shot for a total of 59. Dasso's beautifully controlled wedge shot pitched a yard in front of and above the hole, and screwed down the slope just six short inches from the pin. And so by

tapping in the putt the Italian set a new British and European tournament record of 60.

Ironically he has previously failed completely to make his mark as a professional after an amateur career that glittered with promise.

Dasso too came home in 29 shots, six under the par for the distance. He thus ousted Townsend (70, 69, 61—200) from the lead to add insult to injury with rounds of 69, 69 and 60 for a total of 198, 15 under par. To complete the drama the joint overnight leader Manuel Ballesteros of Spain missed a putt of no more than four feet on the home green that, had he holed it, would have given him the outright lead. As it was he had to be content to share it with Dasso with rounds of 66, 67, and 65.

On 202, four shots off the pace comes the gallant Ryder Cup captain Eric Brown after rounds of 67, 68 and 67, striking a blow for Scotsmen and veterans—while the halfway co-leader Tieni Britz of South Africa could only match par to-day to finish on 204. Roberto de Vicenzo (Argentina) and Angel Gallardo (Spain) come next on 205, and group of four, Billy Casper (USA), Mr. Lu (Formosa) and Britons Lionel Platts and John Garner are on 206.

The course was playing even easier to-day than before in the absence of even the gentlest of breezes. But Townsend's majestic golf was in keeping with the flawless weather. The snow capped Alps glittered in the unbroken sunshine across the heat haze-filled Rhone Valley—the most perfect imaginable day for golf, reflected in the fact that 34 of the 88 players broke 70.

It is worth recording that Townsend, after a sound but by no means outstanding start, was no fewer than eight under par for the nine holes between the eighth and 16th. His figures for that stretch were 24-23-33-3. He holed from ten feet on the eighth green, having used a six iron at a hole measuring 190 yards. A drive and four wood shot left him only a foot short of the ninth green 620 yards away.

Townsend hit the first of two bad shots by coming up just short of the tenth green with his wedge, but got down in two putts. He hit the green at the 220 yards 11th hole with a four iron shot, and once again holed from 10 feet. A 12 foot putt went down for birdie at the 12th and then Townsend hooked a

six iron shot 15 yards left of the 13th green, but redeemed himself by chipping a yard from the hole for his par.

At the 580 yards 14th hole Townsend was only five short of the putting surface with a three iron second shot. But he chipped with his nine iron straight into the hole for an eagle from 25 yards. He holed from 12 feet on the 15th green, and then came that superb drive to the 16th. This deserved a greater reward, since Townsend struck the ball with such power and conviction through the eye of the needle that he then merely bent down to pick up his tee, and did not even bother to follow the flight of the ball.

The immensely promising Englishman had never before scored below 64 in tournament play. "As he said somewhat ruefully: 'I may never get a better chance of breaking 60 in my life, and I finished with three threes in the first round.'"

The likeable Dasso was even more effective with his putter than was Townsend, who required only 28 putts. Dasso's putter has given him terrible trouble of late, but to-day he had ten single putts in a total of 26, holding five from around 20 feet.

Sleepless night

I would like to bet that he will not sleep soundly tonight, and I give nothing for his chances tomorrow. But to-day he beat his previous best score by no fewer than seven shots. He had two rounds of 67 when winning the British Youth title last year. He had previously finished runner-up in the same event to the British player John Cook in 1969, and ironically the latter has failed to qualify for the final two days here.

Dasso got away to a dream start with five birdies in the first six holes. His finish was even better—six birdies in the last seven. And how Townsend must have yearned for Dasso's finish of three successive threes.

Three 3-litres compared

BY JAMES ENSOR

THE GREAT advantage of three-litre cars is that they have enough power to make automatic motoring practical without too much loss of performance. Compared with the typical two-litre, they are quieter and smoother, so that they can be much more relaxing to drive. Generally they are six or eight cylinder engines which naturally reduce noise and vibration considerably compared with a four-cylinder.

I have been comparing three of the best three-litres on the British market, the Reliant Scimitar GTE, the Volvo 164, all in their automatic version. The Rover and Volvo straight developments of two litres, though with altered grilles and slight differences in interior finish, they cost £400 and £700 respectively more than the cheapest two-litre model, but they do offer a much more relaxed and comfortable form of motoring.

The three cars are actually very different in everything except price and general concept, but since many people are choosing from among them, the comparison is interesting. The Scimitar is much the most sporty of the three, top speed and acceleration are actually very comparable with the Rover's, but it always seems to be going much faster. It has a much harsher ride and noisier, rumbling engine, which accentuates the feel of a sports car. It also has beautifully controlled handling and excellent roadholding. Although it is hard to be positive, I had the impression that it handled better than the Rover and certainly much better than the Volvo. It has the extra advantage of a

large rear door which permits bulky items to be carried in the rear passenger compartment. Its fibreglass body will not rust and, I am assured by the experts, will provide better impact absorption in an accident than a steel body.

For those prepared to accept a degree of noise and harshness for the sake of an exciting car, the Scimitar GTE must be the best buy. I certainly enjoyed its driving qualities more than either of its two, more sober rivals.

The Volvo 164 is an entirely different type of car. It is solidly built, large, well finished

THREE LITRE AUTOMATICS		Price		Depreciation	
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bhp	mph	0-100	cwt	mpg	

Reliant 128 116 18 25 24-26 2,266 200

Rover 151 115 18 29 20-22 2,058 250

Volvo 130 107 20 30 20-22 2,302 350

with an impressive array of extras such as head-rests, hazard flashers and a dipping rear view mirror. It is a car which drives on you the more you drive it. At first I found the slab-like seats rather hard and the large steering wheel a bit truck-like. But after a time, I realised that the seats, which are designed with the benefit of medical advice, produced less back-ache and strain than the softer seats of most other cars.

The performance is less striking than that of either the Rover or the Scimitar, especially when accelerating uphill, but one soon adjusts to driving in a more measured style. The brakes, big discs on all four wheels, stop the car reassuringly quickly. Safety, in fact, is a key Volvo point—the company has done more pioneering work than any other to improve vehicle safety. As well as the safety cage body, the 164 has

numerous less obvious safety features such as seat belts which automatically tighten in an accident and the brake lines which are made from galvanised steel piping to prevent corrosion and cracking.

The Rover is certainly the most refined of the three-litre cars. It is notably quieter and its powerful V8 engine is much smoother than any of the others. Its seats, well padded with leather, seemed the most comfortable and its large clear instruments and fingertip controls are the best of any car on the market. The car I drove was fitted with optional power

steering which made it very light to drive and reduced the parking load but did seem to reduce some of its excellent road feel. Still it was much tighter to park and manoeuvre than the other two cars which would be heavy for women drivers.

The Rover has less room in the rear seats and less luggage capacity than either the Volvo or the Scimitar. Like the Volvo, it is impressively solidly constructed, but I suspect it does not have the quite outstanding durability of the 164. It is such a well-designed car that I feel bound to select it as the world's best three-litre—exceptionally good value for money.

I must add the qualification, though, that the safety features and durability of the Volvo or the sporting character of the Scimitar GTE might appeal more to drivers who incline towards these aspects.

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1968 ROLLS-ROYCE Silver Shadow 2-door Saloon by H. J. Mulliner/Park Ward; Regal Red; beige interior; air conditioning; Sundyn glass; 33,000 miles... £7,595

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How to spend it

Cheap lawnmowing with or without the cord

The Black and Decker hedge trimmer is an easy-to-use one. The good, long, 18-inch blade—which seems to be longer than others I have seen—covers a big area and gives a nice, clean sweep of two-way cutting on its double edges. Mains operated, the DNJ 452 is double insulated and sells at about £14. The Black and Decker Lawndrette electric mower is also a super little job, which makes mowing a simple job as pushing a vacuum cleaner. I have seen it used by children and by a lady with arthritic knees. Both got along with it excellently. I enjoyed using it, on small lawns. The price is about £10 (D484), with a 12-inch cut. The less tough plastic one is £7.50 (D485). No grumbles about those prices.

Cordless

Even so, there is always that cord which worries so many people. Cordless mowing of the same genre is offered by Qualcast's Superlite. This has a 12-inch cut and runs on a 12-volt

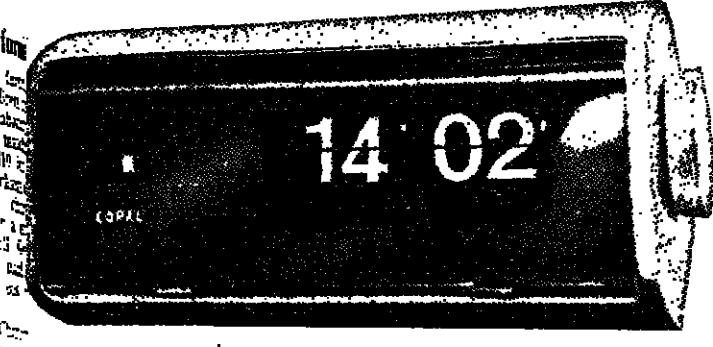
battery which plugs into the mains for recharging. Used by a friend's mother who suffers rather badly from arthritis in arms and shoulders, this is also simple to use. The arthritic lady says "it never runs away with her," which is another reason for her liking it. The price is £33.75 (widely distributed but Qualcast's address, for inquiries, is Sunnyhill Avenue, Derbys).

Decorative stone work

I have always been a fan of Redland Tiles for walls and screening walls and garden patios. The range and the colour of paving is not always my cup of tea—while loving colour, I do not really go for lilac tiles. But the Cotswold, Slate Blue et al are good, and all the colours look great in rough Kentstone walling. Come to think of it, that lilac would probably be wonderfully cool in hot spots.

The decorative walling is anything you want it to be—Italian, modern, traditional, or just geometrical. The leaflet is well worth sending for—it includes sealed, diagrammed planning sheets to help you landscape your own place. The address is Redland House, 42, Kingsway, London, W.C.2.

Cheaper Digital Clock



Another digital clock, you are thinking. Why? Well, why waste it is such a low-priced one so I thought you had better see it does look like the costlier ones. White numerals on black cards, set in moulded plastic, glass-fronted case of lime, sander, coral, charcoal, or white. In larger stores—Selfridges, Harrods, etc., and some larger London Electricity Board showrooms at around £8.95. Stockists from Fonadek Group, of

While writing to Fonadek, you might ask for details of a portable pocket dictating machine, the Stenocard 77, made in Germany. The complete equipment is quality stuff at £33.95. Think people don't always realise the usefulness of these dictating machines. They are not limited only to taking reports—letters for retyping but also as foolproof mnemonics. And they shorten some classifying jobs. Say you are running rough a stock of red, yellow, blue and green objects, which of breaking down into exact numbers in each colour. Anyone, however inexperienced, can run along the line or through the pile to say each colour as it materialises. The tape finally monitored into an accurate pattern report.



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Light-and-socket units



Be safe and self-critical in the bathroom. Look at yourself in a well-lighted mirror, lit up by a good unit with a built-in shaver socket. Lamp and shaver are both operated by pull-cord switch. The light fitting is called Penthouse and is made by Osram-GE (of P.O. Box 17, East Lane, Wembley, Middlesex). It is now in a good many electrical retailers at the not-too-bad price of £9.75 or thereabouts.

A slim aluminium body in an anodised, silvery finish should go with any colour scheme, but you could paint it if you must although it would be a pity and that much harder to clean the thing. The diffuser on the light is a very matt, very opalescent polystyrene, so that you see your face clearly but not, perhaps, too sharply. By the way, let me stress that the price is for the light and socket, just in case this picture makes you think I am talking about a whole mirror unit. This mirror has two Penthouse units, one on each side, but you will find one ample for most bathrooms with other lighting.

Easyroller

I have had a mildly injured note from the designer of the smart-looking Easyroller holder for toilet paper. He points out that it was not designed to issue a controlled number of sheets (I wrote that it controlled to the point of issuing one or as many as you like).

He explains that it works on the clutch principle, slowing down the roll, as it were. So you pull, with gentle resistance making it impossible for the roll to run so that sheets fall all over the floor, until you reach the length you want. Then you just snap off at the perforation. That way, you save about a fifth of the roll which is usually wasted.

No Ice Bottle Bucket

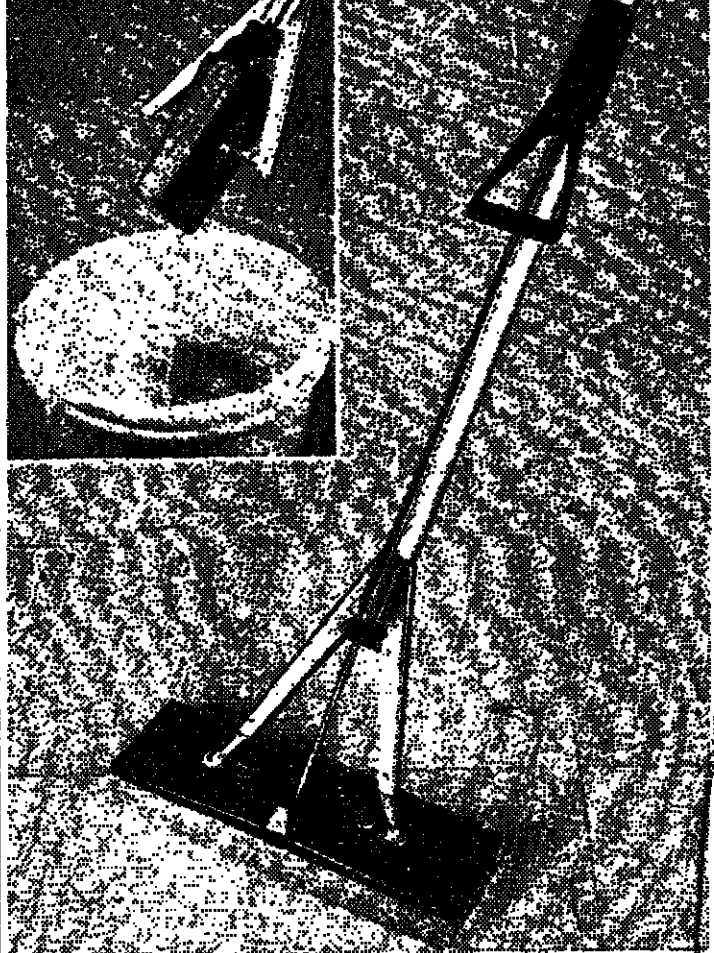


Keep the bottle cool (and the ice from melting too fast) while you enjoy the labour-saved, sunny garden. The No-Ice bucket does work. Terribly simple (although it can be in Gold Tone with a conical neck cover to hide that ugly old bottle).

This is, therefore, one of those double-walled containers of trapped foam, which is the best insulator there is. An Australian product, it does actually keep your chilled bottle cool without ice, and it does keep the ice in cube form longer than most.

I think I like most the fact that it does not try to be pretentious. It doesn't get itself shaped into a melon or a giant apple, nor does it try to hide being exactly what it is, a practical piece. Australian, it costs £2.95 at Fortnum and Mason (some at the Civil Service Stores in the Strand for £2.50). Fortnams will post it for 30p extra. The trim in this picture is simulated wood-grain, but there is also red, imitation python, green and one or two other colours. There is currently a window exhibition at West Australia House, in the Strand. Leaflets and any other stockists from T. J. Harwood and Co. of Vale House, Egerton, near Bolton, Lancs.

Luxury routine mop



A De Luxe floor mop is Prestige's name for this one. As one who hates (a) dirty kitchen floors and (b) getting them clean, I approve the idea of making a De Luxe model of such a down-to-earth thing as a mop. This one really works well. It looks as good as any mop could, but that is not the point really. It works, as I said before.

The sponge is highly absorbent. The hinge plate, of tough plastic, operates smoothly, and the wringing out is to a high standard. The system, as you can see, is to fold the mop in two width-wise, as opposed to the mere usual lengthwise. This seems to give one better purchase, I find.

With all its pluses, it is also light—I mean, you could visualise reaching upwards easily and tirelessly. About £235 at most larger stores and shops—stockists from Mrs. Pat White, The Prestige Group, at Prestige House, 14-18, Holborn, London EC1N 2LQ.

ICI in house and garden

Make the most of heatwaves with an ICI Sunhouse, using ICI's Novolux rigid PVC sheet in a new tint, a sort of bronzy colour. It can also be pale yellow tint, or deep white. It is, obviously, rotproof and rustproof. If you want instructions for making your own sunhouse—8 feet by 10 feet and costing between £70 and £85, write for plans and specifications to ICI Hyde, Newton Works, Hyde, Cheshire.

ICI is constantly surprising. For example, I learned, after writing about that profiled exterior insulation from Swedish Metals, that ICI had been doing it all the time. Indeed, ICI does a good job on fighting condensation, on producing laminates for flat roofing or flooring, and on insulation for houses generally, inside or out. To find a service division, rather than merely a product division, should not surprise me. Get details of these insulation, coating and other protective products from ICI, Millbank, London, S.W.1.

ICI anti-grease

And now for something completely different, apart from the fact that it is another ICI product. The name is "Genkline," and it is an extra-safe, extra-powerful cleaning solution in an aerosol can. It is well established as an industrial cleaner which dissolves oil, tar, grease of any kind, and which instantly dissolves and dries, leaving the surface clean and dry with absolutely no need of rinsing down and drying off.

It is also non-flammable, unlike meths, petrol, white spirit and so on. It leaves no residue to cause short circuits,

so use it even on electrical equipment.

Now we are not talking just about cleaning the car and its innards. We are also talking about something which will clean down paintwork before repainting, remove spots from clothes, cope with wigs, tapes, films, natural or acrylic fibres... need I go on? The price is 53p, to include postage, and you buy direct from Department P, ICI Mond Division, The Heath, PO Box 13, Runcorn, Cheshire. Find Genkline at some petrol stations at 47p. The can is a 16-ounce size.

Portable power with tools

The neatest garden power packs I have seen come from Germany. A battery-run pack, it is a very neat thing, looking a bit like a plastic water container, with a cap and little attachment for the particular garden accessory which will run off it.

On little plastic wheels, with a handle, it pushes around so easily and gives 1½ hours' running time—it weighs only 4½ lbs. It cost £15.60, which is pretty competitive in any language. With it, you can buy a lawn edge trimmer at £8.60—that's good pricing, too. A hedge cutter is £24.40; a spraying set is £25.60; and a head-lamp-cum-garden-torch on a large scale is £2.80.

The VDO Beuvage tool range is good looking, well made, and finding its way to stockists pretty rapidly. Harrods found the demonstration there crowded with interested types. The design is really first class. Get the details from VDO Instruments, a company formed here by the German parent. The address is 13 Mount Ephraim Road, Tunbridge Wells, Kent.

Powered hoe at a price

The hoe is one of the most useful garden tools there is. For huge areas or market gardens, I imagine this power hoe is a great idea. For most gardens, I imagine it is too expensive. For garden-loving people with handicaps, I think it is well worth while. Electrically powered, with a cable, it digs into the soil as it hoes and you have to make no major effort at all. Leaflets, stockists, and all other details from the sole concessionaire, E. P. Barrns, of 12-16, Brunel Road, London, W.3. It costs £18.50. The name is Homasta.

Friendly rivals but still friends

I like the mixture of friendly rivalry and co-operation that exists between the firms of Andrews of Sunningdale and G. D. Mountfield of Maidenhead. Apart from the fact that they are both in Berkshire and both very good at introducing and marketing garden aids, there is no merger of any commercial kind.

Either will, however, send along leaflets of some things you will want to know about for the garden. The spintrim, for instance, which is said to be the world's only self-contained, battery-powered, lawn edge trimmer with rechargeable batteries (at about £23).

There is a lawn dressing spreader, fast to operate, at £19. A portable power pack, light enough to carry in one hand, fitted with 4-stroke engine and producing 30 amps, that's the POW-R-GEN at £55—useful for terrains far from electric supply, of course.

Jenny is probably pretty well known to gardeners and farmers who do need generators miles away from electricity supply sources. There are two models—at £79 and £99. Battery electric trucks, lawnmowers—what you will be on the leaders. One leaflet gives brief details of many appliances, with tiny pictures. Some are dedicated to one appliance only, giving more detail and bigger pictures. The address of Andrews is the Garden Machine Centre, Sunningdale, Berks; and G. D. Mountfield is at The Maltings, East Street, Maidenhead.

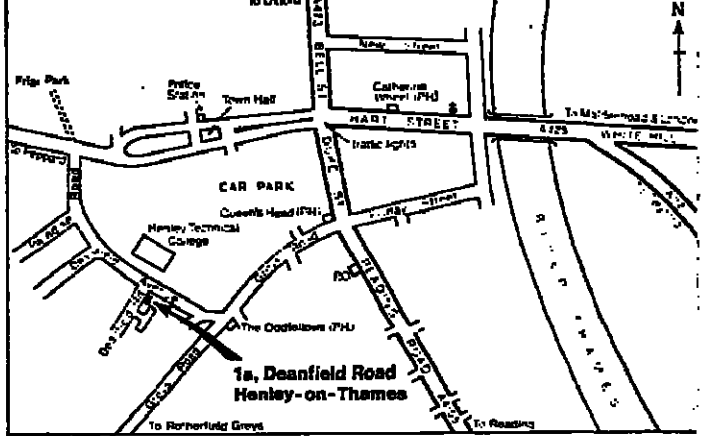
Plastic spanner

All these electrical things about the garden, or anywhere else, have to be treated with some respect. Plastic spanners are often a good idea for tinkering types.

An inexpensive set of the toughest plastic you can think of has been tried out for us by a tough young mechanic (married to my Girl Friday, Carol, so that he has not been allowed to get away with any inaccurate reporting).

Ivan says that he has put these spanners through the roughest treatment he can think of and cannot break them. He liked using them, found they

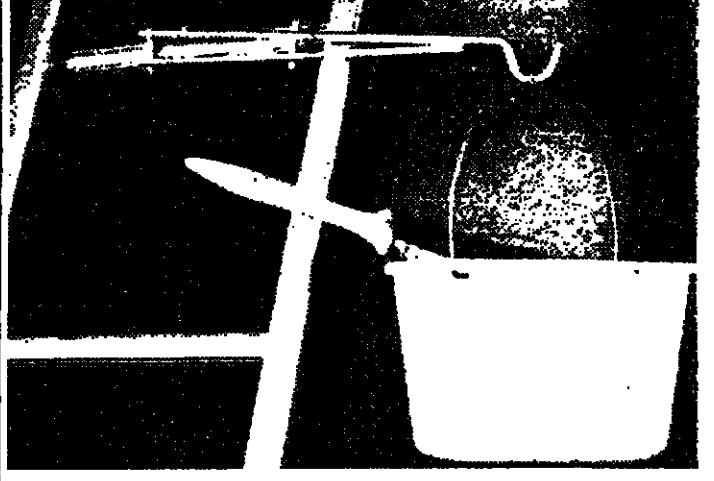
Send-a-map to visitors



I live in a mews that nobody, including taxi-drivers, ever seems to have heard of. So I have to explain that it is behind the north side of, etc., naming the square nearest to it. That's fine, unless you are giving the message to a go-between, like the receptionist, a car hire firm or a radio taxi service or in a store. The directions do not get passed on and delays result. It is much the same with people coming to visit. So a few Directamaps are on my shopping list to send to people who plan to trek my way. Professionally drawn, Directamaps can also show the easiest access route to your home or office—important in these days of constantly-changing roads and one-way systems.

A 100 copies costs £3, and it is £7.50 for 500. They are an excellent idea for export customers, or for any out-of-town customers to offices. Have the town or city maps made on a large scale, showing all streets clearly. Have country places made on a smaller scale, since there is less lettering to get in, showing the nearest signposted town, village or other landmark. The address is Directamaps, Beverley, Kingsley Avenue, Camberley, Surrey.

Ladder's mate



Touching up the house or greenhouse, inside or out, while the weather is fine? This is the way to take the load off the paint or varnish. Useful, too, for washing down, to hold that pail of water without having to run up and down to rinse the cloth. Laddersmate is 41p, a good hook to sling. Buy it from most decorator and some hardware shops. Made by Hago Products, of Bognor Regis, Sussex.

Grass cutting by cords

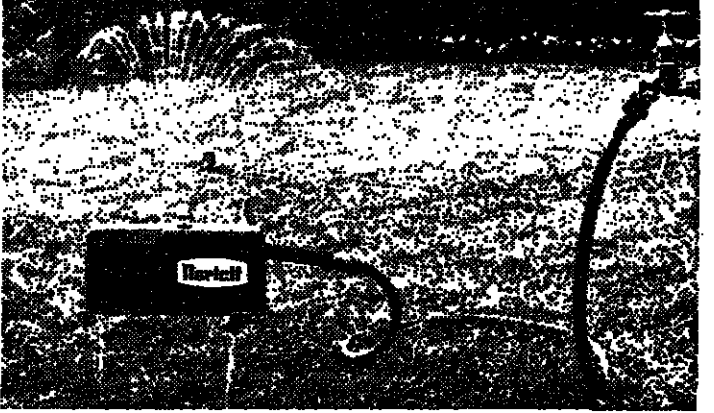


Lawn edges, grass around the trees, rockeries, or shrubs, or up against walls does need trimming, even in gardens where owners like a "casual" look about their grass.

The "Adius UFO" is a new way of cutting this sort of grass, and a very interesting tool it is because it is so safe. Instead of the usual metal blades, it cuts with a nylon cord. Apart from being safe, this means you can cut right up to the tree or wall without damaging the bark on stone or crazy paving. The whole thing is nevertheless very strong, but weighs only 22 ounces so it is not a tiring gadget to use. The nylon is in a cassette, spinning at 12,000 r.p.m. One cassette of cord should last a whole season and a new one be clipped on in moments.

Use UFO from a standing position, with its long handle, or kneel to it, holding the pistol-grip short handle. Guarantee for a year. It costs £19.09 complete with extension handle and spare cassette. If not at your local ironmonger or Garden Centre, buy direct from IXP Limited of Henshaw Lane, Yeadon, Leeds LS19 7RZ. Postage is extra at 25p. Leaflet available.

Automatic watering



One of the things that fascinated me in hot Las Vegas was the way the garden sprinklers came on after too much dry weather (which was often). This is the Norlett Watermaster automatic lawn sprinkler which can do much the same sort of thing for you, if your garden is your living or your joy.

It works on the principle of water evaporation. A regulated amount of water is in a tilting tray, at a level which causes the shut-off of water supply from the tap by means of a plunger On/Off valve.

When the water in the tray evaporates, the tray tilts back to the "On" position and watering starts again. The watering period is controlled by the rate at which water in the tilt tray is replenished. This, in turn, is controlled by an adjustable drip-feed valve and counter-balancing screw under the tilting tray. Periods between watering are therefore dependent on the speed of evaporation from the tilt tray, and the speed of evaporation is naturally governed by weather conditions.

The Watermaster will feed up to four sprinklers—stake it in the ground between water supply and the sprinklers. Guaranteed for a year, it sells at a recommended £11.95. Sold in handy carrying case. All details from Farmfitters Limited of Great Haseley, Near Oxford, Oxon, OX9 7 BR.

On the subject of watering, I do find the annual catalogue from Hozelock useful. Every junction piece, sprinkler, etc., are all so clearly shown in picture or diagram, and there is good advice on choosing your Hozelock sprinkler to suit your water pressure. I think this is a brilliant idea. Water pressures vary, and you should gear your sprinkler to yours. Write for your 1971 copy to Hozelock of Haddenham, Aylesbury, Bucks.

By the way, Hozelock also does an excellent "walking sprinkler" with integral hose reel. Another good idea. Even in my tiny mews patio, I find the automatic water shut-off coupling invaluable, so that is yet a third good idea.

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Portrait of Mountjoy Blount, 1st Earl of Newport, by Sir Anthony van Dyck. 85in. by 51in. Sold on June 25th for £25,250.

Christie's turnover for the 1970-71 season which ended yesterday was £25,242,064, an increase of 25% compared with the previous year, and a new record for the firm. The Portrait of Mountjoy Blount, 1st Earl of Newport, illustrated above, came from the collection of the late Mrs. Anna Thomson Dodge, widow of the motor car pioneer. With the exception of two large works by Boucher, the whole collection was airfreighted from Detroit and sold by Christie's for £1,964,880, emphasising once again the dominance of London as an art market. The Van Dyck will be one of the hundreds of pictures and other works of art reproduced in our forthcoming Review of the Year 1970-71. This will be published in mid-November, price £5.25 post paid, but there is a special pre-publication price of £4.25 post paid for applications received before September 30th. Cheques should be made out to Christie's, and sent to Mr. John Herbert, Christie's Public Relations Director (quoting FT 200) at the address below:

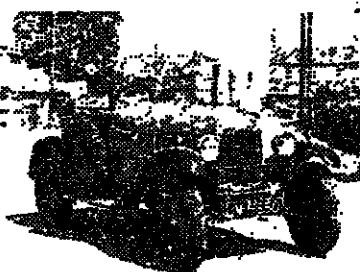
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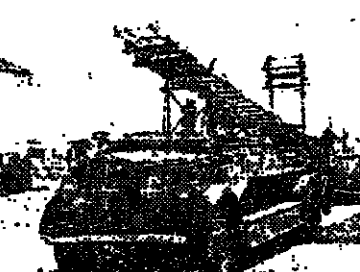
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Saleroom

COLLECTING WISELY

Disc musical boxes

BY DAVID ROBINSON

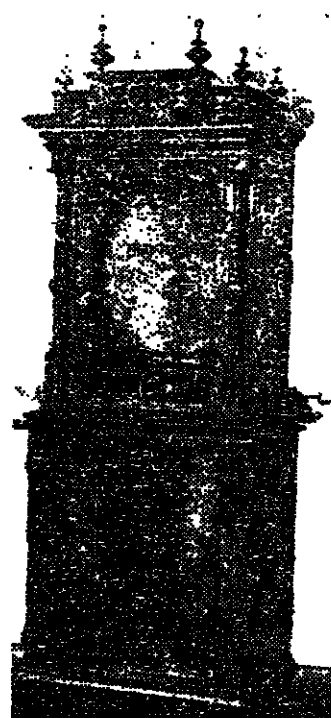
NOT TO put too fine a point on the matter, the collector of disc musical boxes must have both space and a taste for the big and ugly, because most machines of the type are just that. So long as this obstacle can be surmounted, however, the good polyphon or symphonion or Regina is capable of offering some of the finest mechanical music ever devised.

Disc mechanisms for musical boxes were a very late development—so late indeed that it is astonishing they were able to survive at the commercial success they enjoyed. The idea of mechanical music produced by a revolving barrel dates back at least to the early-16th century; and the familiar type of musical box in which metal teeth are plucked by pins on a revolving cylinder was invented in the 1790s. Mostly made in Switzerland, these achieved a phenomenal popularity in the 19th century. They had the disadvantage, however, that their repertoire was limited to six or at most 12 tunes. The disc, actuating a musical movement by means of projections on its surface, and changed almost as easily as a gramophone record, gave the possibility of an endless choice.

The first patent was taken out, rather improbably, by a Haitian, Miguel Boon, in 1882. Three years later an Englishman, Ellis Parr, patented an alternative machine in London; and soon after that a German, Paul Lochmann, having patented first improvements, began to manufacture the first disc music boxes in Leipzig. Leipzig remained the centre of manufacture, which was a classic instance of 19th century industrial organisation. About 1890, two of Lochmann's employees left him to form a rival firm, the Polyphon Company, which at the height of its prosperity employed 400 workers and had branches in London and New York. In 1892 one of the Polyphon directors opened up the Reclina Company in New Jersey, U.S.

These three firms produced the great bulk of disc music machines; but Graham Webb in his newly published *The Disc Musical Handbook* (Faber, £3.50) lists upwards of two dozen rival makes, with names like Orpheon, Kalliope, Orpheus and Polymnia. They ranged in size from miniature machines, taking 4 in. discs, to the massive Komet, with its 33 in. disc and an impressive resonant bass.

A large number were penny-



A typical large disc musical box. Made by Polyphon of Leipzig it plays discs of 24½ inch diameter. The discs are stored in the "bin" below the machine. Bob Minney collection.

in-slot machines which stood in public places; indeed there are still a few pubs which boast Polyphons in their saloon bar. Hence the ponderously elaborate case-work, which had to hold its own with the ornate mahogany and cut-glass interiors of Victorian pubs or Bavarian beer-cellars. For the home there were more compact—though no less ornamental—table models; or the musical movement might be incorporated into vast and heavily carved pedestal clocks.

There was no end to the mechanical and musical ingenuity of the makers. Some machines incorporated bells, drums and pipe organs. Others employed two or three discs, playing in unison to produce impressive piano-forte effects. There were auto-change machines in which the great steel discs were mechanically raised and lowered into playing position. In the later years there were even models equipped to play either the steel discs or gramophone records; and this was the writing on the wall, because the musical box had finally little chance against the perfected gramophone. By 1914 manufacture had virtually ceased.

On account of their bulk, comparatively few collectors

specialise exclusively in disc musical boxes. More often the odd example forms part of a more general musical box collection; while a good many machines are sold to people who simply want a single example to play the music.

They are fairly tricky to buy. Rarity is not always a recommendation of a machine, because the discs for it are likely to be correspondingly rare, and there is little point in a model for which you are unable to build up a repertoire. With the more common types, the 19½ in. disc Polyphon for example, you can generally find discs; and indeed they are now being produced again in this country by a man who has recorded a Dave Brubeck number among other new arrangements.

Condition is vital: a bargain is no bargain if you have to spend another £150 on restoration of teeth and dampers to get the machine into condition. Hence it is advisable to consult a specialist dealer who runs his own repair shop and whose reputation depends upon his selling completely reliable machines. In London there are two such dealers, Keith Harding of 93 Hornsey Road who offers a very comprehensive repair and restoration service, and Graham Webb, of 83 Portobello Road.

Both have waiting lists for all the rarer and more elaborate models, but can usually supply more frequent types from stock. Prices for the very tiny models start at about £35; but an 11½ in. table model—the smallest size whose musical properties are really recommendable—might cost between £60 and £80. A big pub Polyphon taking 19½ in. discs costs £200-£250; and prices rise to six or seven hundred pounds for a 27 in. Orchestral Regina, which the connoisseurs generally rate highest in musical performance; and much more for a gigantic autochange Eroica.

It is hard to be specific about prices, however, since, as with old cars, condition and value vary vastly from example to example. For this reason alone *The Musical Box Handbook* seems a fairly essential preliminary investment for the prospective purchaser. As collectors' books go it is a model, giving an intelligent and succinct history, appendices which include a comprehensive list of the serial numbers and titles of thousands of tunes recorded by Polyphon; and, most vital, an exhaustive maintenance manual for the care and restoration of machines.

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The Arts

City Girls

BY DAVID ROBINSON

In its great days in the 20s and early 30s, the William Fox Studio employed some of the finest talents in Hollywood; and the current National Film Theatre season Tribute to Fox has brought to light an impressive group of rare and forgotten works by masters like John Ford, Frank Borzage, James Cruze, William K. Howard and Rowland Brown.

Among the rediscoveries are two of the most celebrated "lost" films in cinema history, Friedrich Wilhelm Murnau's *City Girl* and Erich von Stroheim's *Walking Down Broadway*. Neither film's history, in fact, reflects much credit upon the administration of the studio. *City Girl* was made under the title of *Our Daily Bread* in the summer and autumn of 1928. By the time it was finished the studio was well established. The producers hesitated too long to bring it out as a silent film; and only in 1930 cut it by 25 minutes and added synchronised music and dialogue sequences. Already a genre, this strange hybrid was quickly relegated and forgotten.

The NFT has, however, found a copy of Murnau's original silent film. The story is simple: a country boy meets a city girl, a waitress in a Chicago automat. They marry and return to the country. The story is simple, where the girl discovers that country life is far from the romantic idyll she had imagined. Ultimately, however, town and country are reconciled.

It is one of those silents which are so expressive that you never for a moment feel that an element is missing. From his earliest films Murnau had worked within the "Expressionist" principle of "isolating the most expressive element in any action or object." In *City Girl* this no longer means the exaggerated "Expressionist" décor and dramatic illumination of the German period; just an extraordinary rightness in every detail of stage, mise-en-scène and lighting. Individual scenes are especially memorable:

Barbirolli

BY RONALD CRICHTON

Unless their subjects are major eccentrics, suffer violent fits and down of fortune, or become involved in big events outside their profession, books about performing musicians are usually tedious. Triumphs repeated make dull reading, failures are easily glossed over, scarcely less so. Musicians, even those at the top of the tree and those whose travels take them farthest afield, lead restricted, hardworking lives. Fortunately what the principal figure lacks in interest may be provided by the background. Charles Reid's *John Barbirolli* is a case in point.

Barbirolli died a year ago. His present biographer, author of a collection of memorials of Beecham and Sargent, is expert at putting a book together at top speed. That he had begun collecting material on Barbirolli some time before his death does not detract from a job carried out with efficiency, tact, and tireless gusto.

By some justifiable juggling with strict chronology, Mr. Reid avoids the usual descent into flat chronicle as the recent past draws ever nearer. Much of the background of John Barbirolli (Hamilton, 446 pages, £2.75) is not only readable but already of historical interest. There are illuminating glimpses of London music during the twenties, of touring opera in the



Zasu Pitts in "Walking Down Broadway," an early Stroheim film shown at the National Film Theatre as part of the "Tribute to Fox" season which continues throughout August.

the bustle of the Chicago automat, unusually light in tone for Murnau; or the extraordinary sequence of the newly-weds' return to the country, running through an endless shimmering sea of wheat.

The Stroheim film exists now only in a mutilated version put out by the studio as *Hello Sister*. Stroheim's career had been fraught with difficulties: his costly refusal ever to compromise had made him the terror of producers. No one had been prepared to employ him for several years when Fox gave him the chance to shoot *Walking Down Broadway*. This time his behaviour was exemplary: the film was finished efficiently, on time, within budget—only to be sacrificed in an internecine battle between two rival executives of the company. Stroheim's own ending was resented by others, and the film was ignominiously hustled out in a truncated form. Stroheim never directed another film.

Enough of the film still carries his unmistakable signature to make one more deeply regret that it might have been. It is the story of innocents in New York: two girls, walking down Broadway, who meet a man, like them from out of town; and of the romance and anguish of their

subsequent sexual relationships. Zasu Pitts plays the plain Jane Murnau; or the extraordinary sequence of the newly-weds' return to the country, running through an endless shimmering sea of wheat.

The reality, the brutality and the frustrations of sex are suggested in a manner that contrasts sharply with the usual anodyne Hollywood movie of those times. And at the same time there is a tenderness rare in Stroheim (though his harshness often came, all too clearly, from mistrust of his own sentimentality): the discovery of idyllic love in the unpromising surroundings of Coney Island. Broadway and the tenement room where the lovers have to stick their heads out of the sky light to see the stars. This was Stroheim's only talking film, but he uses sound with the same brilliance as images, for instance where the drama of a scene between the two girls is heightened by gaging it in a violent rainstorm and a busy street, so that they have to yell the whole time to make themselves heard. Stroheim was one of the most tragic sacrifices on Hollywood's pagan altar.

Andrea del Sarto

BY MARINA VAIZEY

An important painting by Andrea del Sarto has recently, literally, come to light. The *Madonna of Humility* from Lord Egremont's collection at Petworth House, Sussex, is now displayed at the Courtauld Institute Galleries, Woburn Square.

The picture has been at Petworth House since the 17th century, but was universally thought to be a later copy, on loan to the Courtauld, it was examined at its conservation laboratories and has now emerged from months of intensive cleaning and conservation by John Brealey, revealed as a genuine del Sarto, and denuded of at least two complete overpaintings which with the grime of centuries, had obscured both its originality and its marvellous colour range of vivid, deep blues and greens. The painting depicts the gently radiant, smiling, but slightly enigmatically Madonna in elegantly mannered pose, the plump Babe leaning against her lap, the two surrounded by four cherubic angels, all grouped underneath a half tent of deeply coloured drapery.

The composition was created for the Florentine Alessandro Corsini; by the beginning of the 17th century it was in the collection of the Crescenzi in Rome who offered it in 1614 for sale to James I. Either the king bought it and gave it to the Duke of Buckingham, or Buckingham bought it himself; from Buckingham it was bought by the 10th Earl of Northumberland, the owner of Petworth.

Andrea del Sarto (1486-1531), apprenticed to Piero de Cosimo and working in an age of giants, became a foremost practitioner of the Florentine "classicism." Lavishly admired by Vasari, del Sarto had as pupils both Pontormo and Rosso and himself formed a significant link between the High Renaissance and Mannerism. Recent published research, notably by John Shearman and the Courtauld, has



Detail from the newly discovered "The Madonna of Humility"

brought the work of del Sarto under appropriate attention which is well justified by the merits of this glowing painting: fluent, richly melodic, charmingly accessible without being cloying, it is thought to have been painted around 1512.

The happy accident of the *Madonna of Humility*'s stay at the Courtauld Institute Galleries should remind all residents and visitors of the finest small gallery in London, where in comfortably domesticated surroundings, with superb furniture and marvellous carpets, eight rooms contain the Lee-Gambier Parry, Courtauld and

Fry collections, ranging from superb Italian primitives to one of the finest, qualitatively, collections of Impressionist and Post Impressionist paintings in the world.

This summer a special exhibition of 60 selected drawings and engravings from the Courtauld collection is also on display, including works by Munch, Van Gogh, Gauguin, Manet, Lautrec, etc., and one of the most elaborate, as well as one of the last, watercolours by Cezanne, a still life. The 30,000 visitors a year do not violate the Courtauld's atmosphere of quiet intimacy.

N. Atlantic airlines likely to favour cheaper fares

BY RAY DAFTER

THERE ARE indications that North Atlantic airlines, still involved in one of the most difficult fare negotiations ever held, have taken up majority positions in favour of four main cheaper fares proposals. These are "Advanced Purchase Excursion (APEX)" fares, youth fares, excursion fares, and group fares. According to airline sources, it is possible that the Montreal conference, which started on June 29, could reach a decision about the fares package some time next week. Whatever the outcome, the resultant batch of varying fares is almost certain to be extremely complicated.

Family rates

Also under discussion has been the introduction of family fares, senior citizen fares corresponding in price to the youth fares, and special rates for groups attending conferences and conventions. The APEX fare, at possibly \$200 (about £83), is seen by most airlines at the conference as the most significant advance in a North Atlantic fare structure, aimed as it is at attracting more people to fly, and in particular by scheduled airlines rather than charter carriers. Nevertheless, there has been a considerable negotiating battle over this proposal, as with all the other schemes to lower fares. The smaller and more vulnerable airlines want to ensure that with the present state of inflation the cheaper fares will not give them an even lower return on capital than hitherto. Although APEX youth fares and some of the other proposals are designed to attract extra trade, some negotiators are worried that

the schemes will draw away former full fare paying passengers. Hence, the negotiators have been having a difficult time in working out the conditions of such fare structures, trying to arrive at an agreed formula for such regulations relating to whom will be eligible to travel, how far ahead they must book, how long the ticket will remain in force and whether any refund would be made to passengers who miss their flights. It was assumed that the fare negotiations would be difficult;

Poclain moving headquarters in Britain

Financial Times Reporter

POCLAIN LIMITED, the largest importer of hydraulic excavators into the U.K., is moving its national headquarters at the beginning of October. The company, which is the British subsidiary of Poclain SA of France and now has an annual turnover in this country of over £3m., is transferring the centre of its U.K. operations from Poyle Road, Colnbrook, to nearby Blackthorne Road. The move will provide an extra 1,200 square feet of workshop space as well as office accommodation for management and central services departments. Mr. James Streeter, general manager of Poclain Limited, said the U.K. market was now buying 200 machines a year from his company, and was embarking on "a new era of expansion."

this is partly the reason why they were held separately from the remaining world airlines which are due to discuss their fares structure in Miami, starting on September 8. The decisions of the North Atlantic carriers are likely to have a big influence on the fare structure of the remainder of world-wide airlines. It is possible that if APEX fares are agreed in Montreal then some airlines will be proposing similar fares for other worldwide routes. All the new fares are due to be introduced on April 1 next year.

U.S. airlines get go-ahead for DC-10

LONG BEACH, July 30.

The U.S. Federal Aviation Administration has awarded the McDonnell Douglas Corporation a type certificate and production certificate for the DC-10, authorising its operation on the wide-body tri-jet transport. Certification of the aircraft came 11 months after the first flight, and more than two months ahead of the scheduled date in October. Airline service with the DC-10 will start in mid-August instead of November as originally planned. American Airlines and United Air Lines each took delivery to-day of their first DC-10 for additional crew training and route familiarisation flights.

Law Reports

Explosion fears at ICI Welsh store

An explosion at the Imperial Chemical Industries' explosives store at Croesor Quarry, Merioneth, in Wales, on the amount of explosives licensed to be stored there, would be comparable to exploding an atomic bomb underground. It was said in the High Court yesterday. The ICI store is the biggest licensed private store of explosives in Britain and it is near the Central Electricity Generating Board's £13.5m. Ffestiniog power station. Until recently the ICI store was licensed to hold over 6,000 tons of explosives, but recently some had been moved. Mr. Justice Phipps was told.

Closed station

For safety reasons the Board closed the power station early in June. It estimates a daily loss of between £4,000 and £7,000 because of the closure. The Board is asking the judge to order ICI to remove the remains of the explosives from the store as quickly as possible. The Board complains that ICI, which is in process of clearing the store, has been complacent since it was licensed to hold the explosives. Mr. Charles Sparrow, QC, for the Board, said yesterday that ICI originally expected to reduce the stored explosives to 1,600 tons by October, but the company had since stated that by mid-November the stored explosives would be reduced to 1,127 tons, at a rate of 240 tons a week.

"Under the influence of legal proceedings and the pressure the Board has brought, ICI has adopted a more helpful and co-operative attitude," he added. Mr. Hywel Morgan Thomas, a solicitor employed by the Board, said in written evidence that the Board was unaware of the existence of the explosive store before June last year. The Board was advised in Feb-

ruary that 5,000 tons of TNT and other explosives stored at the quarry, if exploded, would create an acceleration effect substantially greater than that of major earthquakes at a distance of 2,300 feet. Such an explosion would result in the virtual destruction of the dam at Stwlan Reservoir. To remove the risk to the Board's two dams the explosives in store would have to be reduced to at least 500 tons. On June 5 the Board emptied its two reservoirs at Tanygrisiau and Stwlan because of the dangers to persons living or working below the reservoirs while the explosives remained in the quarry. If the Board was unable to operate its power station during the winter months when the demand for electricity rose to its highest peak supplies might have to be cut.

Mr. George Bryce, explosives operations manager of ICI's Nobel division, said ICI had already started to remove the explosives but there was a limit to the rate of removal which could be safely achieved. Mr. C. M. Clothier, QC for ICI, said the company was already doing what was right and proper in the public interest. ICI viewed with regret the Board's decision to invoke the powers of the court. The action was wholly unnecessary. It was undesirable that further pressure should be put on those who were doing their best in a matter where haste could lead to death.

Mr. Clothier was still making his submissions when the case was adjourned until October 5. He said he proposed to put in further evidence, when the hearing was resumed, which would give up-to-date information of the situation at the quarry. Mr. Sparrow intimated that the Board might make an ex parte application to the Vacation Court for an order.

CBI's prices curb doomed—Powell

BY JOHN HUNT

THE ATTEMPT by the Confederation of British Industry to put a ceiling of 5 per cent. on price rises will collapse "in ridicule and confusion," Mr. Enoch Powell, Conservative MP for Wolverhampton South West, predicted last night. Speaking to a public meeting at Dingwall, Ross and Cromarty, Mr. Powell said he saw little risk in making such a conclusive prophecy.

"Distortion"

"Whenever a prices and incomes policy has been tried—notably in 1961, 1964 and 1966—the result has been the same," he said. It was bound to be the same this time. All the attempts purported to be voluntary or compulsory. "The attempt to hold down the price of goods or services for which the demand is rising, is to create a haphazard distortion which has laboriously to get itself put right again." Mr. Powell asserted that the idea of inflation could be slowed down by getting people to promise not to raise prices was "really absurd." He compared it with the suggestion that corn

prices could be held down by hanging the corn merchants. He also scorned the suggestion that the unions would exhibit wage restraint in return for the CBI campaign on prices. Both the Government and the CBI had wisely refrained from any closer definition of what was meant by "restraint" in this context.

Mr. Powell attacked those who advocated inflationary policies as the cure for unemployment. If the present rate of 10 per cent. inflation was not enough to do the trick, were they advocating 12 or 14 per cent? One of the main causes of inflation and rising unemployment was the continued Government support for unprofitable undertakings, he said. The collapse of Rolls-Royce and Upper Clyde Shipbuilders was only the peaks of a submerged mountain chain. For too long much of British industry had ceased to be orientated to profit and therefore to real demand at home and overseas. "What is above all necessary is the aggressive and single-minded pursuit of profit and search for the most profitable undertakings," he argued.

APPOINTMENTS

Mr. Henderson to head Witan Investment

Mr. John Henderson has been elected chairman of WITAN INVESTMENT COMPANY. Mr. D. S. Schreiber has retired as chairman and from the Board. Mr. Antony Hornby has also retired from the Board.

Mr. Leo Bryan, works manager of REED MEDWAY SACKS (Read International), has been appointed works director.

Mr. John N. Hazell and Mr. Christopher P. E. Normand, personal assistants to the chairman since 1970, have been appointed to the main Board of LONDON AND MIDLAND INDUSTRIALS.

Mr. W. E. Helme has been appointed chief farm management officer of the AGRICULTURAL DEVELOPMENT AND ADVISORY SERVICE in succession to Mr. R. Peart.

Mr. W. Dermott has been appointed deputy to the senior scientist, Dr. H. C. Gough.

Mr. Peter S. Jones has been appointed a director of the DUNDEE PERTH AND LONDON SHIPPING COMPANY. Mr. John Wilson has resigned from the Board.

Mr. Walter Woyda has been appointed managing director of PRECISION TAPES. He has been general manager of Precision since its formation in January,

1970, and in April this year was made a director of the company. Precision is now a wholly-owned subsidiary of ATV.

Mr. Brian Collie has been appointed to the Board of STREETS FINANCIAL ADVERTISING AND PUBLIC RELATIONS from August 1. He will be the director of the financial public relations division.

Mr. C. W. Richardson has been appointed a director of the LEICESTER TEMPERANCE BUILDING SOCIETY.

Sir George Jessel, Mr. A. R. Cook and Mr. William Martin have retired from the Board of the MONKS INVESTMENT TRUST.

Mr. Gerald J. M. Westoby has been appointed an assistant to the managing director of GILBERT BROTHERS DISCOUNT COMPANY from tomorrow.

Mr. Bob Howes has been appointed manager of CRANE FRUEHAUF TRAILERS' marketing division. He has also joined the Boards of Crane Western Finance and Imperial Coach-builders and its subsidiaries.

Mr. R. D. Whitby has been appointed chairman of KIRKLAND-WHITTAKER GROUP in succession to Mr. D. R. Davis, who has retired from the Board.

Sir Alexander Johnston has retired.

Mr. W. J. Kilpatrick and A. L. Scawen have been in joint managing directors. Mr. E. P. Caccia and Mr. P. Lane have joined the Board. Mr. D. G. Harnage, Mr. R. Johnson and Mr. J. Lane have been appointed alternates.

Mr. Whitby is chairman, managing director, Mr. Kilpatrick is managing director and MacColl adviser to the Board. Gilbert Brothers Discount Company, which holds a major interest in Kirkland-Whittaker.

Mr. R. J. O. Lescelles and C. D. Forsyth have been appointed directors of PREMIER CONSOLIDATED OILFIELDS.

Mr. A. J. Stalk has been appointed chairman of J. C. BAR HOLDINGS, following the resignation of Mr. S. C. Ashton.

Mr. R. C. Kernick, who has been appointed as assistant managing director of INTERNATIONAL COMBUSTION (HOLDINGS), has resigned from the Board of that company and from the Boards of its subsidiary and associated companies.

New Mersey docks company to name extra directors on Monday

BY RAY DAFTER

THE Mersey Docks and Harbour Company is expected to announce the appointment of two or three new directors on Monday.

It is thought likely that one of these appointments will be concerned with industrial relations. The company is not only anxious to bring about a closer management-worker relationship in the port but is also faced with reducing the number of wage and salary staff.

The company, the result of the controversial capital reconstruction Bill, employs about 2,000 of the port's 10,000 registered dock workers and 4,200 staff and ancillary workers. It is in these latter two sectors that the company intends to prune numbers.

Mr. George Brimyard, director of operations and marketing who to-morrow becomes the new managing director, pointed out that some reductions had already taken place. It was hoped that further cuts would be made through voluntary severance and natural wastage. He would not say at this stage how large the cuts were expected to be.

The company's first annual meeting will be held early in November when shareholders, the former bondholders, will be entitled to attend. In anticipation of a well attended and no doubt lively meeting a very large build-

ing is being provided for the occasion. Those attending will be told that the port is staging its self-help recovery by means of economies, cutting staff and closing uneconomic sections of operations, by adopting a more realistic system of port charges and by trying to attract port users to invest in the docks.

Seaford docks

Officials are discussing the possibility of introducing a new form of port charges which, they think, could set a new pattern in British ports. Mr. Brimyard pointed out that in the meantime it might be necessary to increase the present charges again to meet the rising cost of operations.

He said the port had been encouraged by the amount of confidence shown in Mersey docks during recent difficult months. An indication was the multi-million pound development by industry on facilities associated with the new £40m. Seaford Docks complex. Further negotiations were also in hand, he said.

Although there have been some speculation about the future of existing docks on the Mersey, Mr. Brimyard said that the company intended to retain the north and central Liverpool docks as well as the Birkenhead complex. "There is a continuing need for non-containerised and break bulk traffic which could not be ideally

handled at Seaford. This type of business will continue in large quantities and we as a port must provide the facilities to handle the cargo."

Marketing has always been a weak spot of U.K. ports including Liverpool and the company is at present training its own marketing team to improve the situation. Mr. Brimyard said there were no plans, however, to reopen the London, Bradford and Birmingham branch offices. Those were regarded as luxuries which the port could not afford; after-sales service could be provided from head office.

Final meeting

The 113-year old history of the Mersey Docks and Harbour Board ended yesterday in Liverpool with a final meeting and lunch. In a statement issued afterwards Mr. John Cuckney, the merchant banker appointed by the Government to head the port's affairs, thanked former Board members. He also thanked the former deputy chairman, Sir Joseph Cleary and the retiring director general, Mr. Robert Edwards, for the support they had given. Mr. Cuckney said: "It is far too easy to underestimate their selfless efforts and devotion, often unrewarded. We must all acknowledge their bold foresight in deciding on the Seaford project from which we will soon benefit."

Montagu Trust Limited

Strategically placed for the future

The Chairman, Mr F D O'Brien Newman, reports:

This year we have continued the expansion and consolidation of the group's international interests. Development has taken place in both the banking and insurance sectors of the group's business and in all parts of the world.

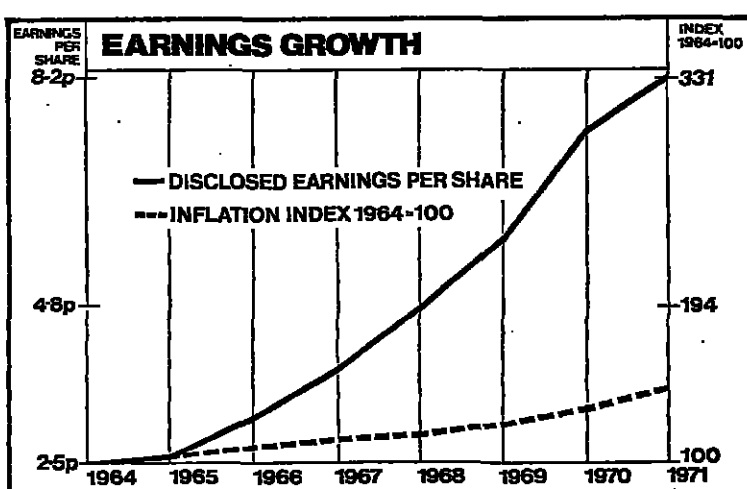
The group profit after tax for the year to 31 March 1971 increased by £336,000 to £3,379,000. The overall increase of 11% does not reflect fully the outstanding profit increase reported by our insurance broking subsidiaries because the banking side of the group reported slightly lower profits.

The directors recommend the payment of a dividend of 14% this year compared with 13% last year.

The group has been built up to provide a diversified and continually expanding range of banking, insurance and other financial services over an increasing area of the world and I am convinced that we are well placed to meet the challenge of the year ahead.

SUMMARY OF RESULTS

	Year ended 31 March 1971	1970
	£000	£000
Profit after tax		
Banking	1,760	1,826
Insurance broking	1,822	1,302
Insurance underwriting	88	15
	3,670	3,143
Central management expenses and long term loan interest	(291)	(100)
Group Profit after tax	3,379	3,043
Proposed Dividend	(1,440)	(1,336)
Profit added to reserves	1,939	1,707
Result per fully paid share		
Disclosed earnings	8.21p	7.40p
Dividend	3.50p	3.25p



Inflation reduces the value of the profits of a company year by year. This graph shows how the earnings attributable to shareholders in Montagu Trust Limited have increased, over the period since 1964, the first year as a public company, faster than their value has been reduced by the effect of inflation. Over this 7 year period, the real growth in earnings has been at the compound rate of 13% per annum.

Montagu Trust Limited is the parent company of an international group providing a wide range of banking, insurance and other financial services. Subsidiary and associated companies of Montagu Trust Limited include:

Merchant banking: Samuel Montagu & Co. Limited, 114 Old Broad Street, London EC2P 2HY
Insurance broking: Bland, Welch and Company Limited, Sackville House, 143 Fenchurch Street, London EC3M 6BN
E W Payne & Co Limited, Kent House, Telegraph Street, London EC2R 7AT
Bland Payne (UK) Limited and **Bland Payne (UK) Consultants Limited**, 22 Billiter Street, London EC3M 2RU
Ship broking: Wallace Shipping Limited, 60 Mark Lane, London EC3

MONTAGU TRUST LIMITED HAS SUBSIDIARY OR ASSOCIATED COMPANIES IN AUSTRALIA, BELGIUM, CANADA, EIRE, FRANCE, LUXEMBOURG, MALTA, SOUTH AFRICA, SWITZERLAND, U.K. AND THE U.S.A.

Copies of the report on the year ended 31 March 1971, can be obtained from the Group Secretariat, Montagu Trust Limited, 114 Old Broad Street, London EC2P 2HY.

LONG-RANGE WEATHER FORECAST

Drier August than usual

DRIER AUGUST THAN USUAL WEATHER PROSPECTS for the holiday month of August are very good. The Meteorological Office long range forecast said yesterday that a rather unsettled spell is expected during the first few days, with thunder rain at times in many places. However, over the month as a whole a fair amount of fine weather is likely with dry days occurring more often than usual for August.

Sunshine totals will be probably above average in England and Wales and near average over Scotland and Northern Ireland.

Mean monthly temperature was expected to be above the seasonal average. Rainfall totals would probably be below average over most of England and Wales although some heavy falls are likely in thunderstorms here and there. Over Scotland and Northern Ireland rainfall is expected to be near average. There were above-average temperatures over France and England during the past month, but over the Balkans, North Scandinavia and central Canada temperatures were below average.

The New School of Finance

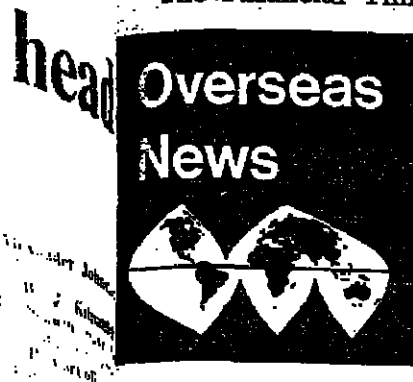
Autumn session of Evening Lecture Courses in the City on

Fundamental Analysis of Equities & Technical Analysis of Stock Markets (Charting) & Investing in Commodity Markets With Limited Liability.

All three courses introduce and apply practical investment analysis techniques to current market conditions. Their purpose is to provide analysts, fund managers and sophisticated private investors with a working knowledge of these important research methods and investment principles. They aim to maximise the return on capital as well as improve the decision making process.

Each course consists of 12 weekly 90 minute sessions starting at 5.30 p.m. on the week of September 20th

Write for the brochure containing further details and application form to: The New School of Finance, 194-200 Bishopsgate, London, E.C.2. or ring Miss Molyneux 01-283 6767.



Comecon agrees on complex plan for co-operation

BY PAUL LENDVAY

VIENNA, July 30.

THE THREE-DAY Prime Ministerial Summit of the eight member countries of the European Economic Community, ended yesterday with the adoption of a "complex programme of economic co-operation and integration" for the next 15 to 20 years.

Though the document has not yet been published, the lengthy final statement indicates that the European Community appears to have scored a major political victory. The communiqué apparently spells out explicitly that the Socialist integration is not accompanied by the creation of supranational organs.

On the contrary, the realisation of the "complex programme of integration" is to be based on the principles of Socialist internationalism, or respect for the sovereignty, independence and national interests of the states,

The document adopted, as it said "unanimously" at the session, provides apparently only a framework and concrete agreements will yet have to be concluded. In this sense one can regard the statement as a tenuous compromise which may well give cause for totally different interpretations. This was hinted by the Romanian president Nicolae Ceausescu in his speech at the session given in honour of the delegation. While the Bulgarian Premier Mr. Stanko Todorov hailed what he called "a historic document", Mr. Ceausescu termed the programme "only a beginning and added his hope that means will be found of carrying the programme into effect in all fields of activity. The detailed text of the integration programme should give a clue whether the Romanians have had to make concessions on essential issues in exchange for the gains they have scored.

Five Arab leaders to discuss Hussein sanctions

BY OUR MIDDLE EAST CORRESPONDENT

THE five Arab Heads of State meeting in Tripoli have agreed to discuss the imposition of political and economic sanctions on Jordan, according to the semi-official Egyptian newspaper Al-Ahram.

The sanctions would be enforced if Jordan refused to implement the provisions of last September's Cairo agreement and the supplementary Amman accords which were supposed to guarantee the Palestinian guerrillas freedom of action while also upholding King Hussein's authority.

It was agreed to put the proposal on the agenda at preliminary discussions held in Tripoli on Thursday night by President Sadat of Egypt, Colonel Muammar Khadafi of Libya, and General Hafez Assad of Syria. The other leaders attending the

Yugoslav Government named

BEograd, July 30.

THE Yugoslav Parliament today approved a new 22-member Government, proposed by Prime Minister Josip Broz Tito.

Four major ministerial appointments remained unchanged—Mr. Miro Tepavac continuing as Foreign Secretary; General Nikola Ljubicić, Defence Secretary; Mr. Janko Simic, Finance Secretary; and Mr. Muhamed Hadzic, Foreign Trade Secretary.

Mr. Bosko Dimitrijevic became Secretary for the Economy, and Mr. Vukobratovic, Secretary for Labour and Welfare Policy.

Mr. Bjedice, a 54-year-old Moslem, was named yesterday by the country's new supreme administrative body—the 22-member presidency—to succeed as Head of Government. Mr. Mitja Ribicic who is retiring at the end of this month.

Australia may pull out troops by Christmas

THE AUSTRALIAN Government has drawn up a preliminary plan to withdraw all its 6,000 troops from Vietnam by Christmas, senior Government sources said today.

Two infantry battalions and supporting units from all three services will be involved in the pull-out—a total of about 6,000 men.

Australia's plans are contingent on local forces being able to match future guerrilla activity in Phuoc Tuy Province—the Australian main area of responsibility.

The Australian Government is taking the attitude that if the U.S. can step up its withdrawal rate, there is no real reason for Australia to lag behind.

A complete withdrawal had previously not been expected before March or April of next year. After withdrawal, the only Australian forces remaining will be training teams attached to South Vietnamese units and at the jungle training centre.

In Saigon Vice-President Nguyen Cao Ky pressed his efforts today to qualify for the October 3 presidential election amid charges by province councillors they were forced to pledge support for President Nguyen Van Thieu and now wanted to switch to Ky.

President Thieu and Gen. Duong Van "Big" Minh have presented their qualifying petitions, but Ky reportedly has encountered difficulty rounding up the needed support of 40 senators or assembly men or 100 provincial councillors to get on the ballot. Ky has until August 4 to qualify. Only 70 councillors have been legally certified in support of Ky, leaving the Vice-President 30 short of the requirement.

But it was claimed that 70 potential supporters originally had signed for Thieu and now wished to switch to Ky.

Meanwhile Mr. Ngo Cong Duc, an opposition deputy has won his fight to seek re-election to Parliament. Mr. Duc, 35, publisher of one of Saigon's main daily newspapers, Tin Sang (Morning News), was among a group of politicians whose candidacies were rejected because of alleged pro-Communist or neutralist sentiments and then reinstated by the supreme court.

Norway rejects Malta

BY OUR OWN CORRESPONDENT STOCKHOLM, July 30.

NORWAY and Denmark will reject any suggestion by Britain that the NATO countries should share any increased cost of keeping NATO facilities in Malta, it was stated in Oslo and Copenhagen today.

A Norwegian Foreign Ministry spokesman said that Norway was very interested in a common financing scheme, as the Naval base there was of very little consequence for Norway. It was also a matter of principle that Norway would not pay such costs through third countries, in this case Britain.

Malta is asking for a renewal of the defence and finance agreement with Britain which is due to expire in 1974. It is believed that Mr. Dom Mintoff, the island's Prime Minister, is asking for an increase of the current annual level of support from £4.8m. to £20m.

Well informed sources suggest that the Norwegian Government is not happy about the proposals for increased aid to Malta. It is felt that Malta is threatening the users of the port that if NATO does not pay up, she could find other sources. There has also been a suggestion that Canada will take the same line as Norway and Denmark if approached.

Indian bank deposits increase

BY OUR OWN CORRESPONDENT CALCUTTA, July 30.

DEPOSITS of public-sector banks, including the State Bank of India and its subsidiaries which had been operating as state-controlled banks before nationalisation, have expanded 13.62m. rupees during the 9 months ended May 1971. This was stated in an official release marking the second anniversary of the nationalisation of Indian commercial banks.

Deposits grew 15.9 per cent. in the first year of nationalisation, against 16.2 per cent. in the previous year, but increased to 9 per cent. in the second year of nationalisation. This improvement however has not been able to satisfy the full credit requirements of the economy.

In addition, the deposit growth of nationalised banks has fallen behind the 18 per cent. growth achieved by private banks operating in the private sector, though deposits of the public-sector banks at Rs.49,810m. constitute nearly 80 per cent. of total deposits of all banks.

The release also notes 3,419 branches were opened between July 1969, and April 1971. The nationalised banks have set an

Crescent International

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For an individual investor, sadly no! The technicalities are so complex—exchange control, foreign tax, the specialist investment knowledge required for each market and, of course, the need for an organisation that can instantly take advantage of investment opportunities as they occur. All this makes world-wide investment extremely difficult for the individual.
- 3. How Then, Can I Take Advantage of World-wide Investment?**
By Investing in Crescent International Fund.
Crescent International Fund is a straightforward U.K. Unit Trust authorised by the Department of Trade and Industry. Its Trustee is The Royal Bank of Scotland and its declared aim is to achieve long-term capital appreciation from a select portfolio of world-wide growth investments.
- 4. How Is It That Crescent International Can Invest Successfully In Overseas Markets?**
The Fund is managed by Edinburgh Fund Managers Ltd., a team of investment managers whose organisation has been developed from over 70 years of successful overseas investment. The team currently manage investments worth over £75m. A reciprocal loan is used allowing investments to be made without undue exposure to the dollar premium. It is the skill and long experience of this team that makes world-wide investment through CRESCENT INTERNATIONAL FUND such an attractive proposition.
- 5. Is Crescent International Flexible?**
Very flexible—the number of holdings is relatively small and funds can readily be switched from one country to another as conditions change.
- 6. Where Is The Fund Invested?**
As at 26th July 1971 CRESCENT INTERNATIONAL FUND was invested in the following proportions (ignoring uninvested cash)

Average annual growth rates (constant 1965 prices and exchange rates)*

	1953-58	1958-63	1963-70	1970-75†
Belgium	2.6	4.8	4.2	4.3-4.8
France	2.5	4.6	4.2	4.3-4.8
Germany	2.1	6.0	4.5	4.3-4.8
Italy	2.5	5.8	6.0	4.3-4.8
Netherlands	2.5	5.8	6.0	4.3-4.8
Britain	2.8	5.6	5.0	4.3-4.8
Japan	2.0	10.5	12.1	10.5
United States	2.0	10.5	12.1	10.5

*1965-69 †Projections of growth by EEC or OECD. Figures taken from The Economist, June 26th, 1971.

USA	31.5%	U.K.	27.4%	JAPAN	20.4%	EUROPE	9.1%
SINGAPORE	4.3%	AUSTRALIA	4.0%	CANADA	3.1%		

- 7. Do I Get Income From The Fund?**
This is an accumulator fund. Dividends are automatically re-invested thus increasing the value of your units. A notional distribution is made on the 15th of August annually when tax certificates are forwarded to Unitholders. The current estimated gross yield is 0.92%.
- 8. What Is The Minimum I Can Invest?**
£250 initially. Thereafter a minimum of £10 at any one purchase. There is no upper limit.
- 9. What is Crescent International's Record to Date?**
The fund has shown growth of 42.4% to date. Launched at an offer price of 25p per Unit on 3rd July 1970, today's fixed price offer is at 35.8p. Past record is not necessarily a guide to the future. The Managers, however, are confident that their investment policy is soundly based and will result in long term capital growth.
- 10. Why Should I Invest in Crescent International Now?**
Crescent International Fund was launched in July, 1970 because the Managers thought investment conditions were favourable. The growth to date has substantiated this belief and with the probability of recovery in the economies of the world's leading industrial nations, the Managers still consider that now is a favourable time for further investment. They are therefore making this fixed price offer of Units at 35.8p which closes on Saturday 7th August, 1971.

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Investors should remember that the price of Units and the income from them may go down, as well as up.

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Think World-Wide, Invest World-Wide with Crescent International Fund

GENERAL INFORMATION: Crescent International Fund is authorised by the Department of Trade & Industry and is constituted by a Trust Deed dated 25th June, 1971.

The Trustee is The Royal Bank of Scotland Limited.

Applications for Units should be made on the coupon provided or by telephone or letter. Authorized agents receive a commission of 1.2% on all applications bearing their stamp.

The Offer price includes an initial service charge not exceeding 5% plus a small round sum in lieu of commission. Units are always readily available at a price based on the value of shares owned by the Fund.

The Managers undertake to re-purchase Units at any time at not less than the bid price calculated in accordance with Department of Trade & Industry regulations. The price of Units may be checked by reference to The Financial Times and certain other leading newspapers.

An annual charge of 37p per £100 of the Fund's capital value is deducted to defray management expenses, including Trustees' fees.

Dividends are not distributed; all income is re-invested in the Fund automatically to increase the capital value of Units.

Offer of Units in the Crescent International Fund at 35.8p each until Saturday 7th August, 1971

or at the Managers' selling price when the application is received, whichever is the lower.

An Accumulator Fund aimed at world wide capital growth.

To: The Edinburgh Securities Company Limited, 4 Melville Crescent, Edinburgh EH3 7JB.

If we wish to invest the sum of £ / at the offer price of 35.8p per Unit (Minimum investment is £250 and multiples of £10 thereafter). After the close of this Offer, Units will be available at the current daily price.

My Offer remittance is enclosed payable to The Edinburgh Securities Company Ltd. APPLICATIONS WILL NOT BE ACKNOWLEDGED, but certificates will be despatched within 28 days following the close of this offer.

I want to invest outside the U.K. or in scheduled territories, not acquiring these Units as the nominee(s) of any person(s) resident outside those territories. (If you are unable to make this declaration it should be deleted and the form lodged through your Bank, Stockbroker or Solicitor, in the United Kingdom.)

All joint holders must sign. Units cannot be registered in the name of minors (under 18).

Title (Mr., Mrs. or Miss) Surname(s) BLOCK CAPITALS PLEASE

Full Christian Names

Address(es)

Date Usual Signature(s)

Please tick for further information: about Crescent Non-contractual Savings Plans ☐ about Crescent Unit-linked assurance scheme ☐

The Edinburgh Securities Company Limited, 4 Melville Crescent, Edinburgh EH3 7JB. Tel: 031-226 4931 (A member of the Association of Unit Trust Managers)

APOLLO

Edited by DENYS SUTTON

the international magazine of the fine arts

EIGHTEENTH-CENTURY STRASBOURG



Coffee-pot by Jean-Jacques Ehlert, c. 1749-51. Silver-gilt, height 21cm. The Louvre, Paris. Illustrated August Apollo.

The AUGUST issue of APOLLO gives a varied account of eighteenth century Strasbourg, its architecture and its art. It contains articles on the Palace of the Rohans, who were Bishops of Strasbourg; Ceramics; Painting & Sculpture in Alsace and Gold & Silverware. In addition there are the usual APOLLO features of Art across the U.S.A., London Galleries, Book Reviews and the Sale-room.

APOLLO is available from all leading newsagents or direct from the publishers, price £1.00. Annual subscription £12.00, including postage and packing to anywhere in the world, except U.S.A., where all copies are sent by air-speeded delivery for \$32.00.

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Spain tour inquiry: interim report soon

By Ray Dafter

THE Commission of Inquiry set up this week by the Association of British Travel Agents to investigate allegations against tour operators, will meet for the first time next week.

ABTA said it expected an interim report would be ready for consideration by its council within three weeks. ABTA has already given a warning that if any of its 2,500 members was shown to have allowed a tourist's holiday to be ruined it would not shirk its responsibilities.

The delegation which has returned from Spain after investigating complaints of U.K. holidaymakers, in particular problems of unfinished hotels and overbooking, has said it was delighted with the response from the Spanish Government and was confident that joint action would dispel fears for future holidaymakers in Spain.

It has been agreed to set up a joint working party to lay down regulations to prevent overbooking. The Spanish Tourism Ministry has also agreed to give tour operators more accurate information about hotels and improved estimates of completion.

A plea to set up an international conference on tourism to lay down agreed standards for tourist accommodation and a world code of conduct for tour operators and hoteliers was rejected in the Commons yesterday by Mr. Anthony Kershaw, Under-Secretary, Foreign Office. The Minister maintained that there were a number of organisations already to deal with the various aspects of tourism at the international level.

Travelogue of troubles Page 15

Hover Air goes into liquidation

By Our Own Correspondent

PETERBOROUGH, July 30. HOVER AIR, the light hovercraft company formed by the second Lord Brassey of Apethorpe five years ago, has gone into voluntary liquidation.

A spokesman at the company's premises in Whittlesey, Cambs., said today: "We are hoping to sell out within the next few weeks but otherwise the business will close down completely."

In June, 34 workers were laid off when a deal to sell £2m. worth of two-seater hovercraft to the Continent, fell through.

The company was formed by Lord Brassey after he had hired a miniature hovercraft to entertain visitors at a garden fete in the grounds of his home at Apethorpe Hall, Northants, in 1965. When he died in 1967 his wife and her son took over the company.

Cigarettes: what the health warning means for sales

BY ELINOR GOODMAN

BY CHRISTMAS the health warning on the pack will have become as unobtrusive to the average smoker as the manufacturer's name now is on the cigarette itself. Thus, unofficially, one cigarette marketing man assesses the impact of the health warnings which are now beginning to appear in the shops.

In public, the cigarette manufacturers are less optimistic, preferring to adopt a "wait and see" line. But all agree that, for the moment at least, cigarette sales are looking relatively encouraging. Despite the 15 to 20 per cent. drop immediately following the publication of the Royal College of Physicians' report on the link between lung cancer and smoking, sales across the country have now recovered to within 3 or 4 per cent. of their December level. In some areas—parts of London and Wales, for instance—tobaccoists say, sales have completely recovered their old buoyancy.

New smokers

Some cigarette smokers undoubtedly have broken the habit, but they have been replaced by new smokers, while those who smoked began to return to their old level as early as February.

The picture, in other words, seems to be no worse from the manufacturers' point of view than it was after the publication of the 1962 health report. Then sales fell by some 15 per cent., immediately after its publication, but recovered to within 2 per cent. of their old level after 8 months.

The introduction of the health warnings on the pack, however, must put at least a temporary question mark over the continuing recovery of sales. Experience in the U.S. seems to suggest that the warnings on their own will not have much effect on demand. There, where a warning on the pack was first introduced in 1966, the immediate effect has been a short-lived drop in sales, but it is difficult to estimate how much the drop was due to the warning itself, and how much to other factors like the big anti-smoking advertising campaign which was launched at about the same time.

However, it is generally agreed that once the novelty had worn off, the effectiveness of the warning steadily diminished. Indeed, last year, the American wording was deliberately made more positive. It now reads: "Warning: the Surgeon-General has determined that cigarette smoking is dangerous to your health."

The wording of the English version—"Warning by HM

Government, smoking can damage your health"—is, in Sir Keith Joseph's opinion, more effective than the American one. "When introducing it, he said he would describe it as 'fair and accurate' and designed to have an impact on the individual."

In England, too, a burst of anti-smoking advertising will be aimed at the September to coincide with the bulk introduction of the new packs. Tele-

vision is being used for the first time, and if nothing else, the campaign will doubtless succeed in reminding many smokers of the risks they are running. But even so, the Health Education Council's budget of £100,000 is still insignificant compared with the £10m. spent on advertising cigarettes in the Press alone last year, or indeed, compared with the massive anti-smoking drive in the U.S.

In the opinion of Dr. John Dunwoody, director-general of the Royal College of Physicians to fight smoking, "it can do no more than scratch the surface. You cannot hope to do more with this kind of budget." The warnings on the packs, he believes, have no long-term effect except to "help identify the Government with an anti-smoking point of view."

Like Sir Gerald Nabarro and other members of the anti-smoking lobby, Dr. Dunwoody would like to have seen the RCP's recommendations on restricting advertising put into effect. As it is, according to the terms of the agreement reached between the Government and the cigarette manufacturers, the only new regulation concerning advertising is the stipulation that once the new packs are generally available in the shops, all advertisements will carry a well displayed notice drawing attention to the warning. Thus, last Sunday, the advertisement in the

Sunday Mirror for Players No. 6 carried the words "Packets carry a Government health warning" along the base line. Despite its size—the agreed dimensions are between 6 and 10 per cent. of the advertisement, according to the size—the phrase is remarkably unobtrusive, lying as it does outside the darker coloured body of the advertisement.

Again, cigarette marketing men unofficially say that once the novelty of the words has worn off, they are unlikely to have any effect on sales, though they may spoil the appearance of advertisements. But, as Dr. Dunwoody himself points out, these measures, though not very effective in isolation, do help create an atmosphere in which smoking may generally become less socially acceptable. And, this, as most of the anti-smoking lobby would say, must be the ultimate aim of all anti-smoking propaganda.

Same pattern

Dr. Dunwoody says it was entirely predictable that sales should have followed the same recovery patterns as after the last report. "It's a problem of such magnitude that you can't expect it to be solved overnight."

But though the sales graph as a whole may have repeated the 1962 pattern, within this trend there has been at least one less predictable movement. Usually after a health scare smokers start smoking cheaper, smaller cigarettes; but this year, sales of king-size cigarettes were far less badly hit than most other sectors of the market. Whereas a year ago, king-size cigarettes used to account for only 4 per cent. of the market, now they account for 5 per cent. Cigarette marketing men attribute this increase to three things. Firstly, the real price of cigarettes has not kept up with the rise in the cost of living, secondly,

decentralisation has made much less aware of price differences; thirdly, king-size cigarettes still tend to be regarded as a luxury, smoked mainly at weekends—and though annual may make a determined effort to cut down on their day-to-day smoking, they tend to prefer to keep to their old level of "social smoking" at weekends.

More predictably, the swing filter tips has continued. Air filters are estimated to account for 80 per cent. of sales as against 78 per cent. last year. Similar the cigar boom has continued, on the surface, looks a staggering rate.

Small cigars

During the first five months of the year, sales are estimated to have increased by 40 per cent. the same period last year, a sales of miniature cigars—most obvious alternative for cigarette smokers trying to wean themselves from cigarettes—rising by 80 per cent. and cigars by about 35 per cent.

Tobacco manufacturers reluctant to attribute this increase entirely to the health scare. As they point out, cigar market has been a crop one for the past decade. In 1961, for instance, sales of cigars (excluding cigarillos) increased by 15 per cent. Agony put this down to a fact like decentralisation making people less price sensitive, a more foreign travel leading to more foreign attitudes to smoking. Also, of course, cigars—unlike cigarettes—can still advertise on television.

Indeed, there does seem to be an underlying strength in the market. For despite the revival in cigarette sales, cigar sales, continuing to increase rapidly, have not only recovered from the loss of its additional impetus, but to showing signs of return to its old level.

Cigar marketing men are confident that the market will continue to expand, becoming increasingly competitive as it does. This year has already seen a complete state of doubt as to whether the statutory solvency margin was available and nothing ever looked at subsequent that that state of doubt, that not right.

Mr. Nail replied: "I realise that. It is the selective nature of the Press reports that worry me." Referring to a letter from another insurance company official which had invited the department to look at a comparison of ratios, Mr. Nail asked Mr. Nail: "This was information from a man who had spent his whole life in the industry?"

Mr. Nail said this was so but not all of it had been dealing with the supervision of insurance accounts which he was personally doing. He thought his own experience was the greater. He had a rough idea of how V and G kept its books and thought it not impossible for it to produce run-off statements and had been assured it would do this.

Mr. Michael Kerr, QC, a member of the tribunal, asked if the writer of the letter had been expressing a kind of bias because V and G was not terribly popular. Mr. Nail replied: "I realise that. It is the selective nature of the Press reports that worry me."

He added that the only real doubt that arose was whether the unexpired risks and unpaid claims were understated in the account, and having no reasonable doubt that V & G was currently solvent, so it would be better able to weather a bad patch if the company ran into one.

Mr. Arnold: "I am sorry I have no suggestion to you that the answer is completely untrue and that the minute shows plain that what you were considering was the current solvency margin. Mr. Nail: "That was not so, am explaining the background of all this so you will understand the minute."

The background, he said, was the way he was considering V & G between 1962 and 1963.

The hearing was adjourned until Tuesday.

THE BIRMINGHAM SMALL ARMS COMPANY LIMITED

TO ALL STOCKHOLDERS

- The stockholders have already been informed that Cooper Brothers & Co. were asked late in May to carry out an urgent review of the Company's financial position and prospects.
- Their report has now been received and considered by the Board. The Board has accepted in general principle the recommendations of the report and intends to implement them as quickly as possible. The management has already put in hand several measures of reorganisation.
- The Board has decided that stockholders should immediately be acquainted with the main points which have emerged in Cooper Brothers' report in regard to the financial position of the Group. These are:—

- on the basis of the internal accounts it is expected that there will be a Group loss of approximately £3m. for the year ending 31st July 1971, to which will be added an exceptional round-sum provision of £1m. in respect of losses arising from product rationalisation measures. An exceptional profit of £700,000 will be credited from the sale of the Redditch factory which has been empty for some time;
 - the cause of the trading loss for the current year was the dislocation of production in the Motor Cycle Division which led to a low volume of output prior to the peak selling season. The dislocation of output was itself attributable mainly to delays in completing the design of the new models and a contributory cause was delay in the receipt of components from suppliers;
 - there will be a need for additional provisions in the accounts of the current year to cover items of an exceptional nature arising from future reorganisation of the activities of the Motor Cycle Division. The full amount of these provisions cannot yet be accurately established; and
 - by reason of the heavy losses, the Group is undercapitalised and its borrowing powers are insufficient, as is evidenced by the fact that the current bank borrowings are close to the limit permitted by the Articles of Association. The Company's British and American bankers have been kept closely in touch with the position and will be given forthwith a copy of Cooper Brothers' report and asked to continue their support during the period of reorganisation. Measures are also in hand to develop additional sources of finance.
- Cooper Brothers have recommended, inter alia, that a new management structure is needed and in particular that a new managing director of high calibre should be recruited to fill the vacancy in the Motor Cycle Division.
 - The report shows that given adequate finance, the remedial measures already in hand together with further steps now being studied by the Board should enable the Motor Cycle Division to return to a profitable basis of trading. The non-motor cycle activities have been profitable during the past year and show good prospects for the future.
 - In the circumstances the Board has decided that no dividend will be paid to the ordinary stockholders in respect of the year ending 31st July 1971.
 - During the past fortnight a conditional bid for part of the Group's equity has been announced. On the facts presented in Cooper Brothers' report, for a partial bid to be recommended by the Board, whereby stockholders would retain an equity interest in the Company, there would have to be an assurance from the bidder that substantial new capital would be available for injection into the Company.

By Order of the Board,
T.G. Niven,
Secretary.

30th July, 1971.

Fleet St. tribute to Lord Astor

LEADING PERSONALITIES from the newspaper industry were among the large congregation which paid tribute to Lord Astor of Hever at a memorial service held yesterday at the Church of St. Martin-in-the-Fields, London.

A former chief proprietor of The Times and chairman of The Times Publishing Company from 1922 to 1959, he died on July 19, aged 85.

Sir Brian Windley, vice-chancellor of the University of London and a personal friend, read the lesson. State trumpeters of the Household Cavalry, in which Lord Astor gave distinguished service during the First World War, took part in the service.

Lord Astor was a generous patron to Middlesex Hospital and 30 members of the nursing staff attended in uniform. Many other representatives of the Hospital were present.

Tory MP to ask about Compass Club

MR. MICHAEL MCNAIR-WILSON, Conservative MP for Walthamstow, East, has put down a Parliamentary question asking Mr. John Gorton, Secretary of State for Industry, to make a statement about the initial grounding by Department officials of Thursday's flight organised by the Compass Club.

He has also asked for information about the club and its organiser, Mr. Hugh Hutton. The flight was stopped because the Department was not satisfied that it complied with safety regulations.

The 250 passengers were allowed to proceed after their £80 return fare had been refunded and the aircraft had been chartered for a "single entry" trip. An employee of Compass Club had since been dismissed after a girl friend had impersonated Miss Lavinia Woodhouse, daughter of Lord Terrington, claiming to have guaranteed the flight.

INCREASED GOLD FLUCTUATIONS

Gold may be profitably traded in the short-term as a speculative commodity, but there is no certainty of a continuing long-term rise, according to Moccata and Goldsmith.

The renewal of interest in gold as a monetary hedge, which has raised prices in the free market, and will in the short term increase market fluctuations, can eventually justify itself, say the brokers, only if the monetary price of gold is raised, and "this still seems to us a very remote possibility."

Vehicle and General Tribunal of Inquiry

Publicity a hazard that has to be faced—Chairman

A DEPARTMENT of Trade representative was told by the chairman of the Vehicle and General Tribunal yesterday that newspaper publicity was a hazard that had to be faced in an industry subject to inquiry.

Mr. Justice James spoke after Mr. Webster, QC, for the department, had drawn attention to the reporting of the cross-examination yesterday of Mr. Norman Nail, a principal in the DTL.

Mr. Webster told the tribunal: "You probably saw the various newspapers this morning. There have been a number of them in which it is right to say that the evidence was quite accurately reported. But what was highlighted was some of the more sensational features of the evidence and Mr. Nail is quite humanly anxious about his reputation, particularly in the City."

Mr. Michael Kerr, QC, a member of the tribunal, asked if the writer of the letter had been expressing a kind of bias because V and G was not terribly popular.

Mr. Nail replied: "I realise that. It is the selective nature of the Press reports that worry me."

Referring to a letter from another insurance company official which had invited the department to look at a comparison of ratios, Mr. Nail asked Mr. Nail: "This was information from a man who had spent his whole life in the industry?"

Mr. Nail said this was so but not all of it had been dealing with the supervision of insurance accounts which he was personally doing. He thought his own experience was the greater. He had a rough idea of how V and G kept its books and thought it not impossible for it to produce run-off statements and had been assured it would do this.

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A to Z in Commodities

For the first time, someone has examined the Commodity Futures Markets in depth and published a comprehensive and readable report on this little known area of investment.

This report has been described as "a text book for the uninitiated—a manual for the initiated—a must for every investor..."

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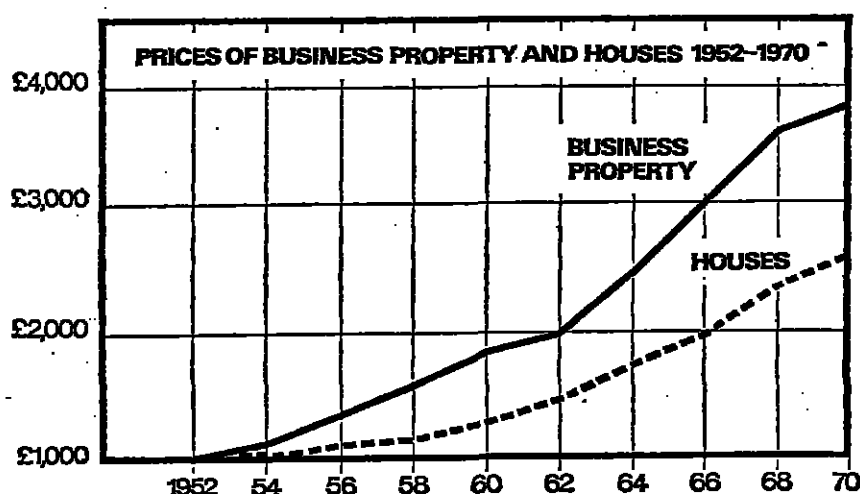
Draw 6% p.a. tax free*

—with all the security and growth potential of Hambro Property Investment Bonds

Since the beginning of May over 3,250 people have invested nearly £4,000,000 to make the launch of Hambro Property Investment Bonds the most successful ever.

Why? Because of the following important advantages:

1. The security and growth potential of first-class business property.
2. Backing by Hambros, one of the most famous names in British banking.
3. Management by an outstandingly successful team, led by Mark Weinberg, with an advisory panel of property experts.
4. Increasing life assurance cover built in at no extra cost.
5. Valuable tax advantages.



1 First-class business property

Everyone knows from their own experience that the prices of houses have risen dramatically over the years. The graph (specially commissioned by Hambro Life from the Economist Intelligence Unit) shows how business property has risen in value even more dramatically over the last 18 years.

Naturally, there can be no guarantee that business property prices will continue to rise in the future at the same rate as they have in the past; indeed, values could fall as well as rise. But the historical trend has been strongly upwards, and, in our opinion, a well-selected spread of business property is likely to prove a highly rewarding investment.

To combine the prospects of good capital growth with a secure and rising rental income, the policy of the Fund is to invest in first-rate office buildings, shops and industrial premises in the growth areas of the United Kingdom, let on long leases to good quality tenants with regular rent reviews. Initially, up to 20% may be invested in financing new buildings in partnership with established developers. To improve its yield and growth prospects, the Fund may, in proper circumstances, buy property subject to an existing mortgage or borrow against properties to purchase further buildings, provided total borrowing does not exceed 25%.

Rental and other income, after expenses, charges and tax, is automatically re-invested in the Fund to increase the value of your Bonds.

How you can draw 6% p.a. tax free

If you invest at least £1,000 you can take advantage of the 6% per annum Cash Withdrawal Plan.

Twice a year, 3% of your Units will automatically be cashed-in and you will be sent a cheque for the proceeds. This amount is free of income and capital gains tax.

Assuming the net rental income accumulated in the Fund is 3½% per annum, the capital value of the investments in the Fund will have to grow by 2½% p.a. (after allowing for capital

gains tax) in order to maintain the original value of the Bonds calculated at the offered price. Of course, to the extent that the capital growth is greater, the value of your remaining Bonds will grow even after you have drawn 6% per annum in cash.

* If you're a surtax payer, you'll be liable for surtax solely on the profit element in the 6%.

2 The security of Hambros

Hambro Life is a member of the Hambros Bank Group. This means that as well as enjoying the backing of one of the leading merchant bank groups in the world, Hambro Life will be able to invest the whole of its Fund in property. The Company has a standby credit with Hambros Bank - initially set at £1 million - which makes it unnecessary to maintain a margin of liquidity inside the Fund in present circumstances.

3 Management expertise

Hambro Life is managed by a team, led by Mark Weinberg, who have had outstanding experience in the field of property bonds. Their achievements include founding and building up one of the largest and most successful life assurance companies in the country.

A panel of experts with wide property experience has been set up to determine policy and to supervise the investment of the Fund. The members of the panel are: J. E. Cullis, Chartered Surveyor; J. N. C. James of the Grosvenor Estate; and Geoffrey Morley, former investment manager of the Shell Pension Fund. Under the guidance of these experts, a full-time property investment manager, who is himself a Chartered Surveyor, will manage the Fund on a day-to-day basis.

A leading firm of Chartered Surveyors, Messrs. Jones, Lang, Wootton, will independently value the properties in the Fund at least once a year.

4 Increasing life assurance

Unlike any other property bond, Hambro Property Investment Bonds have a built-in life assurance benefit which actually increases with the value of the Bonds themselves. This means that the amount payable either to your family or your estate on your death is always in excess of the actual cash-in value of your Bonds.

5 Tax advantages

The rental and other income which is accumulated in the Fund for your benefit is subject to tax at only the

reduced life assurance company rate of 37½%. It is not treated as your income for tax purposes, so that you pay no income tax on it. There may be a liability to surtax when you take out the proceeds if you are then liable to surtax, but this amount is calculated on advantageous terms.

You are not liable to capital gains tax, and do not have the trouble of keeping records. The price of the Units is adjusted to allow for the Fund's own prospective liability. In current circumstances it is intended to restrict this deduction to 20% of the capital growth.

How can I watch the value of my Bonds?

The Hambro Property Investment Fund is split into Units and the value of the Fund is calculated twice a month. The resulting offered and bid prices are published in The Times, Financial Times and other leading national newspapers.

How do I cash my Bonds?

You can cash-in your Bonds at any time by sending in a simple claim form, and will receive a cheque within a few days.

To ensure that Bondholders receive the maximum value when cashing-in their Bonds - even in the very unlikely circumstances when it may be necessary to sell properties to meet withdrawals - the Company considers it prudent to reserve the right to defer repayment in exceptional conditions for up to 6 months. This will not apply in the case of the death of a Bondholder.

What are Hambro Life's charges?

The offered price of the Units takes into account an initial charge of 5% and a rounding-up charge on unit trust principles. In addition, Hambro Life receives an annual charge of ½% of the value of the Fund. This covers the cost of providing the life assurance benefit as well as the Company's expenses.

The cost of buying, selling and managing the properties, as well as the valuation fees, are paid out of the Fund, and will not exceed the charges laid down by the Royal Institution of Chartered Surveyors.

Annual Report

Every year, you will be sent the Annual Report of the Fund, giving a full description of all the properties, the names of the tenants and when the rents under the leases come up for review, together with the valuations of the property by the independent valuers.

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Simply complete the application form and send it in with a cheque for the amount you wish to invest. Your Bonds will be sent to you within four weeks.

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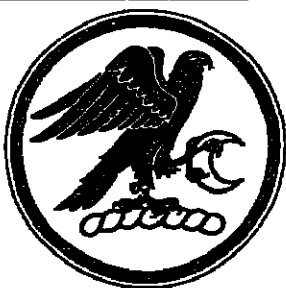
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SATURDAY JULY 31 1971

Wall Street blues

ER rising to a new high for the year, the London Market has been brought sudden halt by the latest of nervousness on Wall Street. This nervousness is due to the U.S. economic situation, partly to growing concern that officials are about what should be done to improve it. The basic is that personal saving is an abnormally high percentage of income and that consumer expenditure, though up, is not expanding as fast as the economy. As a result of this, the economy is not expanding as fast as the economy. As a result of this, the economy is not expanding as fast as the economy.

low growth, however, has not led to inflation to an extent that prices are rising at an annual rate of only 2.7 per cent. The first quarter but the second has since moved back up around 6.1 per cent. At the time the balance of payments problem has been aggravated by a rise in imports which taken the visible trade into an unusual deficit, which can be only partly offset by special factors. It was known this week that balance was in deficit during the third month run to the total of \$803m.

boost in the price of gold followed this announcement—it is now over \$42 an ounce for the first time in two years. This shows that uneasiness at the dollar and the present of the international monetary system is not far below the surface. The weakness of the dollar and the present of the international monetary system is not far below the surface. The weakness of the dollar and the present of the international monetary system is not far below the surface.

There are other splits in economic policy of more immediate interest to Wall Street. It is on the issue whether the government should be stimulating demand for sake of bringing unemployment down to 4.1 per cent. by end of next year, as was the president's original intention. A decision of this sort was expected until the end of month, when the Secretary

of the Treasury—speaking on behalf of the President—stated firmly that he did not mean to ask for either lower taxation or higher expenditure, on the grounds that this could only make inflation worse.

He also stated firmly on this same occasion that President Nixon was not going to institute a wage-price review board or to introduce mandatory wage and price controls. This illustrates clearly the split which exists between the Administration and the chairman of the Federal Reserve Board, Dr. Burns, who has long advocated action along these lines. The Federal Reserve has done its best to help bring about the economic upswing; indeed, it expanded the money supply during the first half of this year by much more than most people expected. But Dr. Burns has said that this cannot continue and interest rates, which have already risen sharply, may now go higher.

This in itself may annoy the Administration. Much more annoying is the way in which Dr. Burns publicly argues for direct intervention in the field of prices and wages, to which it is at present opposed. At the end of last week the informed Congressional committee that there had been no substantial progress against inflation. The Administration's reaction has been to let it be known that it is considering the possibility of curbing the Federal Reserve's independence. The threat may not be serious—it would set off not only a huge constitutional row but an international monetary crisis—but the very fact that it has been made at all shows how wide is the split of opinion and how strong the feelings involved.

Strikes galore

The issue is particularly topical at the moment because of the labour situation. Dr. Burns argues that the rules of economics have changed and that a wages and prices review board is needed because businessmen are no longer willing to stand up to the increased militancy of workers. If they do stand up, however, there will be strikes. At the moment in the U.S. there is a dock strike on the West coast, a railway strike which will get much worse this week-end unless the President intervenes, and a very good chance that there will be a steel strike when the deadline is reached to-night. All this is quite enough to remind investors that the future is always uncertain and the economic future more uncertain still.

Consumer watchdog Ralph Nader's accusations about the safety of the Volkswagen Beetle are being hotly contested by the company, which now has 500 people working on a new shock-resistant car. James Ensor, Motor Industry Correspondent, describes...

How the car safety lobby is influencing design

RALPH NADER, the American consumer's champion and car safety crusader, has chosen a new target—the Volkswagen Beetle. The first warning of this challenge came in a Thames television report "This Week," where Nader described the Volkswagen as "a uniquely hazardous car." He added that his team of researchers has completed a dossier on Volkswagen which will be published in a matter of weeks. It is bound to cause a storm.

The last car which became the unwilling recipient of Nader's wrath was the Chevrolet Corvair, a sports rear-engined car introduced by General Motors in the early Sixties in response to the competition from imported cars, including the Beetle. Nader charged that the Corvair was unstable and had poor steering and road-holding, partly because of its unusual rear-engined layout. He accused GM of concealing its defects and of allowing safety to suffer by cutting costs.

Sales of the Corvair began to decline soon after the considerable publicity that was given to Nader's criticisms. By 1969, with sales down to less than 10 per cent of their peak, General Motors decided to cut its losses and scrap the Corvair. Last year, the American Traffic Safety Administration, established partly as a result of the safety campaign which Nader had sparked off, confirmed many of his criticisms of the Corvair.

Nader's attack on the Beetle is framed in similar language to his Corvair indictment. He points out that "it starts with the disadvantage of being very small compared to most cars on the American highway so that it is at a distinct disadvantage in a collision against a larger vehicle, or a fixed barrier. He adds that "it had a history of instability in terms of its deficient suspension system, particularly on superhighways in crosswinds."

He further remarks on "the problem of the exposed gas tank, the spilling of petrol through the fuel tank opening and the problem of the door popping open." With a final thrust that its seats are not properly moored to the floor and that it has the "problem of inadequate support in low-speed collisions into the doorways at right angles"—he concludes that "although there have been some minor improvements in recent years, the fact remains that the Volkswagen is the most hazardous

car on the American highway in significant numbers."

Volkswagen, which has sold 4m. Beetles in America, is not taking these charges sitting down. It rejects his criticism totally, apart from conceding that early Volkswagens suffered from instability in crosswinds.

The Beetle is easily the most popular small car in America. Its sales of 1m. a year are twice as large as those of its American rivals, the Ford Pinto or Chevrolet Vega, and even further ahead of its closest imported competitor, the Toyota. Despite the new models it has introduced in recent years, Volkswagen's prosperity still largely depends on the Beetle. Over 1m. are sold each year in markets outside the U.S. and its output accounts for almost three-quarters of Volkswagen production.

The company is not making the mistake of underestimating Nader—which General Motors did when it clumsily hired detectives to inquire into his private life. Every Volkswagen company in the world has received detailed arguments to rebut Nader's criticism and the company is evidently preparing to fight back on his own ground—Press and television publicity.

Volkswagen points out that American Government studies showed that the Beetle is involved in fewer accidents per 1,000 cars registered than five of the eight cars it studied. On a picked section of high-speed road, it found that there was a lower rate of Volkswagen accidents than of standard-sized American cars.

A tough battle

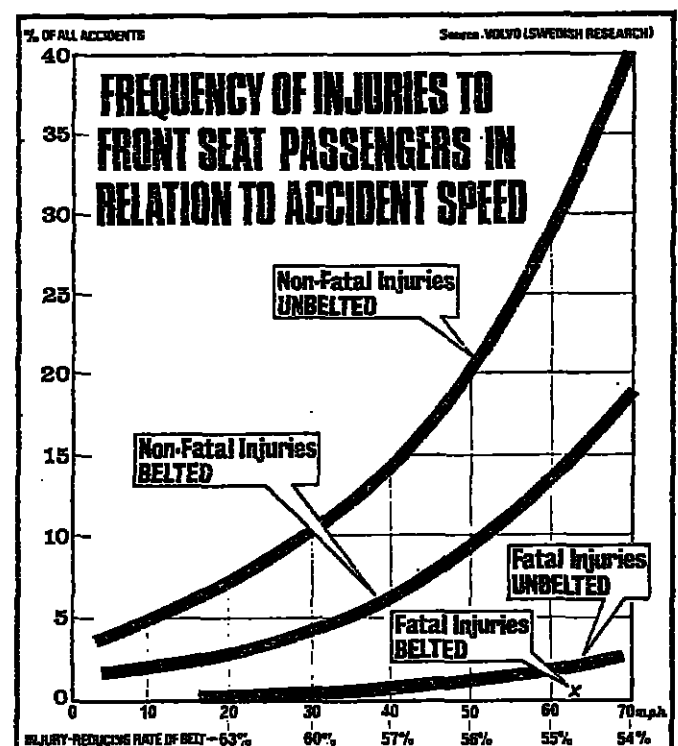
Cornell Aeronautical Laboratory, which in 1968 published a report on Volkswagen accidents, found that its "overall" structural integrity was as good as any other car and that it sustained less damage to its fire wall than front-engined makes. Cornell also found that although the Volkswagen's petrol tank was frequently damaged, it suffered a relatively low frequency of fire after an accident.

Clearly the arguments about the safety of the Beetle will continue for many months, with each protagonist citing endless and apparently contradictory statistics. It promises to be one of the toughest battles that Nader has ever waged into.

The British Road Research Laboratory, which recently pub-



One of Volkswagen's experimental safety car models. It has energy-absorbing bumpers and is strengthened against side collisions.



lished a report on head-on impact tests on several cars, including the Volkswagen, lends some support to both sides. It found that the Volkswagen lacked rigidity so that the front of the car was easily deformed until its backbone chassis was reached, at which point it became very rigid. This produced higher seat-belt loads and greater impact speeds on dummies than in any of the other cars tested—the Imp, 1100, 1800, Mini and Renault 1100.

Whatever the outcome of the Volkswagen-Nader battle—and it is clear that Volkswagen will not prove such an easy opponent as GM—safety has become a major issue in the United States. This year, the major American motor companies will spend \$400m. on research into ways to make their cars safer. GM's president, Edward Cole, said that even if the company poured

still more resources into the safety programme, it was doubtful whether progress could be speeded up.

General Motors is one of three American companies producing prototype safety cars, in an effort to discover whether in discarding all the conventional ideas of car design engineers can produce something innately safer. Fairchild-Hiller has built a heavy steel-framed car with hydraulic bumpers, heavily padded interiors and automatic fire extinguishers. It is calculated that the occupants, protected by air-bags—which explode in their faces in an accident—could survive a 50 mph head-on collision in this car or climb out after it had rolled over at 70 mph. But the weight of the carefully stressed steel girders and hydraulic energy-absorbing bumpers are such that the car is twice as

heavy as the normal European saloon. It is doubtful whether many buyers would willingly pay the penalties of poor fuel consumption and low performance in order to be so well protected.

Volkswagen, clearly stung by criticisms of the Beetle, is the first European manufacturer to build its own prototype safety car—though Toyota and Nissan are also designing them with grants from the Japanese Government. Volkswagen now has 500 people working under Dr. Ernst Fiala to produce cars with enormous steel bumpers and protective passenger cages which could withstand 50 mph crashes. One of the great advantages of the Volkswagen approach is that the styling of the cars bears some relation to current trends. There is more chance of such designs becoming a practical, commercial proposition than some of the American safety cars.

Among the novel features of the Volkswagen safety car are an automatic seat belt, which is drawn across in front of the occupants after the door is closed and which automatically assumes the correct tension. Smiths Industries and Kangol are working on a similar project in Britain. Revolving headlamps which clean mud and grit away from the lenses are another idea that Volkswagen is testing.

In Europe, car safety is felt to be a matter of avoiding accidents as well as surviving them. Companies like BMW and Alfa Romeo have long argued that a car with excellent roadholding, good acceleration and brakes will avoid some of the accidents that a more vulnerable car might face. This is obviously one reason why Volkswagens have fewer accidents than some of the big American cars in the U.S. The German Government has laid down a specification which calls for detailed tests on cornering power, swerving ability, resistance to side winds and braking. Most American models would probably fail these tests.

As yet only the American Government has imposed mandatory standards on the design features of cars that can be sold. Within two years, all American cars will have to be fitted with passive restraint systems that operate without the driver needing to take any active steps at all. The most probable solution is the air-bag.

The engineering problems of coping with the requirements are immense. General Motors has found that rear seat passengers may hit the front seats

with a force of 12 tons—so no ordinary restraints will do; and many engineers are worried about the reliability of air-bags, which will have to last for ten years without mishap.

Sir Alec Issigonis' wry remarks that the day of the stylist is over "for we are all making battering rams now" has some truth in it. Rolf Melde, the chief engineer of Volvo, reckons that cars will have to carry strong steel beams in the doors to withstand the side-impact test and that bumpers will have to be carried right around the side of the car. This could add 33 lbs to the weight of a car and the cost of safety changes including air-bags might add £300 to the price.

'Cannot be modified'

It is unlikely, according to Melde, that sports cars will be able to meet the American regulations and he says it will be "extraordinarily difficult" for small cars to meet them. Every European and Japanese car exported to the U.S., except the Volvo and Mercedes, is likely to find it hard to match up to the regulations. Nader himself says that the Volkswagen Beetle cannot be modified to pass the future tests and that Volkswagen will replace it. Significantly enough all the current safety work at the Volkswagen plant at Wolfsburg is concentrated on the larger K70 model, and not on the Beetle.

The safety campaign has brought some notable improvements in car design. Most cars sold in America—though not all in Britain—now have collapsible steering columns and laminated windshields which prevent the passengers being thrown out. Most cars have padded dashboards and the sharper-pointed switches have been flattened. Seatbelts could be the biggest life-saver of all, for engineers calculate that half of the world's fatal car accidents would be avoided if everyone wore them. Currently they are used less than 30 per cent of the time in most countries.

Nader has achieved at least one positive point. Motor companies like Volvo, Saab, Mercedes and Rover which developed safe cars were at one time afraid to advertise them in that way because of the negative psychological undertones. Now they can increase sales by stressing safety.

Letters to the Editor

Investment income

—May I add to Mr. F. P. P.'s excellent letter (July 17) regarding how income from prizes has been taxed so far, because the starting rate for surtax, fixed at £2,000 in 1918 has never been raised 40 years in spite of inflation and devaluations, reducing the value of £2 by at least five times. Compare this with the exemption for Estate Duty raised in £2,000 in 1954, £5,000 in 1962, £5,000 in 1968, and £12,500 in 1971, an increase of over six times the 1954 figure in 18 years. Next, investment income was exempted in the sixties by 0 per cent surtax, and a special Charge "which in some cases reached 24s in the £. It was hit again by the doubled tax on 1972/73 income. The use of it will be the only way in which payment of extra assessment can not be paid over three years, as provided by the recent amendments to the Finance Bill.

Finally, Capital Gains Tax, on the (indefinite) long-term basis was introduced in 1965. It was exempted up to a value of £1,000 on each item, but £1 of proceeds or profit from investments was exempted by the Finance Bill.

Finally, Capital Gains Tax, on the (indefinite) long-term basis was introduced in 1965. It was exempted up to a value of £1,000 on each item, but £1 of proceeds or profit from investments was exempted by the Finance Bill.

There should be (a) a tapering provision for capital gains like income tax, for example, using percentages of the gains as taxable, ending in nil after seven years from date of release or April 6, 1965, or (b) a factor based on the inflation

index announced each year by the Treasury whereby the "cost" would be increased annually. A. G. A. Mackay, 37, Park West, Marble Arch, W.2.

Storage heaters

Sir—Your correspondent, B. Stern (July 24), should, I think, blame his builder (or landlord), not the Electricity Board. He states one of his storage heaters, due to its weight, "smashed" a floor in his house.

Now, Sir, the heaviest (commercial type) night storage heater weighs no more than 400 lbs. and the majority lie in the range 200-300 lbs. Three 10-stone men weigh 420 lbs. and if Mr. Stern's floors are not strong enough to support three such men standing close together, then indeed his building is in a deplorable state.

I have had storage heaters in practically every room in my (last) house, including two upstairs, for 14 years without ill effect. And they have all been moved frequently to cater for change in layout and furnishings.

A prudent driver takes his car over properly prepared roads, and cannot blame the manufacturer or dealer if he gets stuck in the mud. John F. Fletcher, 74, Valley Fields Crescent, Enfield.

Mortgage interest

Sir—Regarding the fundamental facts about the allowance of interest as a charge against taxed income, with particular reference to home-ownership loans, may help prevent Mr. Bishop (July 24) perpetuating misunderstandings about this.

Until the late Labour Government used a steam-hammer on the mortgage interest allowance that to tax interest in the hands of the receiver and not to allow it as a charge against the income of the payer would generally result in a double charge, as most loans are used to acquire income in some form. Home housing loans are so used, and

I cannot recall any means in the days of Schedule A tax that the home owner only paid tax on the reputed income from his own share of the investment, that is, the Schedule A assessed rent, less the loan interest.

But for the unintended side-effects their housing policies had in discouraging private landlordism and therefore the provision of houses, the politicians might never have got round to encouraging home-owners as they did when, with the abolition of Schedule A came the exemption from tax of the income from investment in one's home. At the point of time when this came into operation each home owner's taxable income was reduced by the amount of his "net Schedule A" whether he had a loan or not, and it is most important to remember that this is where the "subsidy" to the house-owner arises, not from his interest being allowed for tax.

Housing loan interest is very seldom, if ever, greater than the income value of the house, and if the latter were taxable I doubt very much if the tax allowance of the former would be the subject of controversy.

So the planners are, as so often happens, asking themselves the wrong questions and piling on the complications: they should be asking whether they want to end encouragement of home ownership.

"Encouragement" for some always imports injustice for others, and if this particular form were to be ended, then rather than have the taxation of notional rents introduced, or home-loan interest disallowed for tax, I would like to see the interest element in house rents allowed for tax. This would require transitional adjustments but in the long term would bring back private landlordism. W. J. Simpson, 18, Wallgrave Road, S.W.5.

House subsidies

Sir—In reply to Mr. Len Bishop F.C.A., there is a simple way to compare the true subsidies enjoyed by Council House tenants and owner-occupiers. Council houses are now costing

not less than £8,000, inclusive of land etc., and therefore the economic rent, including rates, should be at least £12 per week, but few Councils charge even £8, so the subsidy is £300 per annum.

On the other hand, if a prospective owner occupier decides he can afford a £8,000 house, and there are many who buy much cheaper houses, he will obtain a mortgage of £4,500 provided he passes the Building Society's means test successfully. After having paid his deposit of £500, plus stamp duty and solicitor's fees, he will then have to start repaying his mortgage over a period of say 20 years and in the first year the interest will amount to £382 which will gradually reduce to nothing at the end of the period, or an average of £191 per annum.

With income tax at 39p in the pound, less two ninths earned income relief, the tax relief or subsidy amounts to £131 per annum, or less than one fifth of the amount enjoyed by the council tenants. W. S. Roe, 31, Ellesmere Road, Ellesmere Park, Eccles, Lancs.

A 25p piece

Sir—Recent correspondence regarding the increased weight of coins carried in our pockets appears to be very much to the point. The main reason I feel however is not so much due to the 50p coin as due to the fact that there is no intermediate coin between 10p and 50p. Some have suggested introducing a 20p coin but I feel that this would only partially solve the problem. A 25p piece would be much more versatile. The main reason for the present trouble is the considerable number of 10p and 20p coins given in change. The other day I tendered a 50p piece for a 20p purchase and received two 10p pieces and five 2p pieces in change. How much more convenient would have been one 25p piece and one 5p piece. Consider the comparative weights if the 25p piece were of a similar shape to but half the weight of the 50p piece. In other words the change

in this instance could have consisted of 2 small coins instead of 7 bulky ones. The introduction of a 25p piece would certainly bring the 5p piece more into its own than would a 20p coin. M. R. Evans, 327, Malden Road, New Malden, Surrey.

A 50p note

Sir—If there is any justification for your correspondent's case for the introduction of a 50p note, how did we manage pre-war without a 2/- note? A. H. McKee, 53, Woodstock Road North, St. Albans.

Dangerous junctions

Sir—The continuing spate of motor insurance premium increases highlights a ridiculous situation which apparently most motorists accept without a murmur of protest.

I am referring to the situation at many crossroads and junctions. In many of our towns it is commonplace to have two lanes leading up to a set of traffic lights. These lanes often are marked both for straight ahead traffic and traffic turning to the left for the left-hand lane and to the right for the right-hand lane. The two lanes often converge into one or one and a half lanes on the other side of the lights. What has to happen? One car has to give way to the other—without any law fixing who gives way to whom. Result—a bump situation par excellence.

The police don't want to know about such minor accidents but the insurance companies do. Whose fault? The local authorities. These authorities should be made to exhibit on signs well before such junctions which lane a motorist should take for straight ahead, left and right turns. Obviously if there isn't room on the other side of a junction for more than one lane, only one lane leading up in the junction should be allocated to straight ahead traffic.

A practice adopted on the Continent would vitiate another common bump production situa-

tion. That is the minor road crossing a major road where the minor road crossing is heavily used only in rush hours. The solution—traffic lights which are switched to flashing yellow outside rush hours. There are numerous roads in the Croydon area which I know very well would benefit from such lights. Doubtless this is paralleled elsewhere.

I often travel along such minor roads together with many other short cut experts. Crossing a major road can involve a five or more minute wait. The situation would be saved with traffic lights switched as I've stated.

I believe if just these two suggestions were adopted the savings in insurance premiums and elsewhere would pay for the improvements in well under a year. Robert T. Street, 108, Oak Tree Road, Knaphill, Woking.

Stock market joys

Sir—As a mere female I could never hope to comprehend the intricacies of the stock market but in our house at least it gives us many interesting moments. In order to listen to the stock market report on our rather temperamental radio my father finds it necessary to switch all the lights off and stand on a certain floorboard. As this often happens when we are eating a meal the results can be amusing.

When my father was interested in Northern Songs he had to buy all the Beatles records and so I have acquired a collection which is the envy of many of my friends. Now that ATV rate high on his list the TV is rarely switched off. One dreads to think what would happen if he bought shares in a brewery. However, the stock market definitely helps to brighten our lives and what we would do without the prize crossword on a Saturday morning I do not know. I hope this helps to show you the stock market is not solely a place of men, long faces and overdrifts. R. Norgate (Miss, aged 16), Enderleigh, Brant Avenue, Ilminster, Halifax.

How to get a prime cut of a bull market

In a time when share prices in general are rising, you can often coast along quite happily with any shares you happen to have.

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Labour News

Arrests follow strike picketing at Fine Tubes

By Roy Rogers, Labour Staff

NINE demonstrators were arrested yesterday following violent incidents during a "national day of picketing" outside the Plymouth Fine Tubes plant in Plymouth.

They were part of a 200-strong crowd comprised of workers from Plymouth, Bristol and various parts of the South West, which tried to prevent strikers from entering or leaving the plant.

There were charges of police brutality after the nine men—eight of them from outside the Plymouth area—were arrested following scuffles during which car windows were smashed.

Mr. Ron Nethercott, the Bristol-based regional organiser of the Transport and General Workers' Union, complained bitterly about police conduct as being "the sort of thing we saw in Fascist Germany."

"I have never seen anything like this before, the police have behaved disgracefully and many of our lads have been pushed into the ground for doing nothing. There have been ugly scenes here this morning, but they have been caused by the police. It is a disgrace to the city of Plymouth."

Before leaving for the police station to try to bail out the arrested demonstrators, Mr. Nethercott said: "I shall complain officially to the Chief Constable, see our union MPs and have the matter raised in the House."

The dispute is recognised as official by the TGWU and the Amalgamated Union of Engineering Workers, and the Department of Employment is considering a plan, made through the TUC, for a Government inquiry.

It began 50 weeks ago in support of a substantial pay claim but developed into a recognition battle—on the lines of that a few years ago at Roberts-Arundel, Stockport—when the 180 strikers were dismissed and replaced by non-union labour.

Since then the strike committee has toured the country persuading workers at many supplier and customer companies to black the Plymouth-made tubing, but Fine Tubes is still operating, and management says production and

turnover have increased since the dispute began.

Yesterday Mr. Nethercott admitted that he sees no way out of the situation. He said that yesterday he asked Mr. Tom Barclay, the managing director, to "come out and meet me, but he just stood there. If we can't get him around a table we can't stop scenes like this."

Late a police spokesman denied the brutality charges, saying that the demonstrators had had to be physically held to allow workers to enter and leave the plant. Thirty-five officers and constables were involved, and the nine arrests were for obstructing the police, public order offences and wilful damage to motor vehicles.

He said charges were being preferred, and the men would probably be bailed to a later date. No policemen were injured and, as far as it was known, no other person was hurt.

Newspaper print unions may reject 7%

By Our Labour Reporter

A PAY OFFER to national newspaper printing workers that would cost about 7 per cent in a full year is expected to be rejected by their unions.

The offer will be discussed by the executive of Natopso on Monday and it is expected to reject it. Negotiators for the National Graphical Association have already turned it down and they may seek separate negotiations with the Newspaper Publishers Association.

The unions had jointly asked for 10 per cent on basic rates plus the consolidation of their £1.10 cost of living bonus. They later modified this to a claim for £1 a week more on basic rates and consolidation of the bonus.

The employers conceded this but wanted the bonus to be consolidated in the wages. A further meeting to allow the unions to reply to the NPA offer has not yet been arranged.

Riverside dockers may accept 5% increase

By Our Labour Reporter

DOCK union leaders are expected to recommend to a delegate conference of members early next week a pay deal that will give increases of up to 5 per cent on earnings.

The deal will affect about 4,000 riverside workers in London whose basic rates are £27.50 for a 40-hour week. They also have bonus payment schemes with individual companies.

The employers' offer is for a 5 per cent increase on basic rates, with increases of up to 5 per cent on bonuses and an early review.

A settlement of the riverside men's claim will increase pressure on the London enclosed docks employers who recently rejected a claim for 10,500 dockers. They suggested that the unions should discuss getting rid of about 800 light duty men whom the employers claim cost about £1.5m a year in wages without any contribution to productivity.

This has been rejected by a dockers' delegate conference and a mass meeting has been called for Monday to discuss the employers' refusal to meet the claim.

Exhibition pay package after employers' threat

By Roy Rogers, Labour Staff

AT A HASTILY convened meeting of the National Joint Council for the Exhibition Industry yesterday agreement was reached on a pay and conditions package for some 4,000 exhibition standmaking craftsmen and labourers.

The NJC meeting was called by the union, after the employers had issued an ultimatum that if its package was not accepted by the end of this week they could not guarantee retro-spection to July 4 when the last pay deal expired.

Yesterday the unions accepted the package that they rejected two weeks earlier. However, they did extract a commitment from the employers that there would be an NJC meeting early in December to consider any difficulties which might arise in respect of continued increases in the cost of living.

The deal, which is backdated to July 4, gives craftsmen an extra £3 a week and labourers an extra £2.80, taking their rates to £32 and £28.80 respectively for 40 hours. Also included in the package are increased six pay lodging allowances and holidays.

The Group said the redundancies were due to an unforeseen reduction in contracts for nuclear power stations at home and overseas.

The men from the bottling plant followed up an overtime ban and work-to-rule by walking out on Wednesday.

In the January settlement it was agreed that further increases would become due if the retail price index rose by more than 6 per cent within the 12-month life of the agreement. The staff association lodged a claim for a 10 per cent increase from May 1.

SURVEYS NEXT WEEK

Investment Services . . . Monday, August 2
Quarrying . . . Tuesday, August 3
Home Heating . . . Wednesday, August 4
Soft Drinks . . . Friday, August 6

A travelogue of troubles in Madrid

By ARTHUR SANDLES, who was in Spain for the meeting between the British tour operators' spokesmen and the local tourist officials

IT WAS the sort of blazing hot day in Madrid on Thursday that British holidaymakers hope for when they head for Benidorm.

Outside, it was not the sort of weather for work. But within the offices of the Ministry of Information and Tourism an air-conditioned atmosphere allowed Spanish Government officials and representatives of the British tour operators to generate a different sort of heat.

For as British holidaymakers currently in the Costa Brava, Blanca and del Sol, as well as the crowded Balearic Islands of Majorca and Ibiza, there will be little to show for it. But what has happened is that both the Spaniards and the British travel industry have had some warning shots fired across their bows, and have taken note.

The £150m. Spanish-U.K. package tour trade is too sensitive an animal to risk a continuing flood of bad publicity.

The events of the past few days and the background sequence of travel troubles over recent weeks should be seen in relation to various other pressures faced by the main parties in Thursday's debate. Both sides were at first keen to throw accusation and counter-accusation, but both were in fact looking over their shoulders at problems which could be much more serious than a hundred or so tourists getting into the wrong Costa Blanca hotel.

What is particularly hothotting the U.K. tour operators is a season of friction between some of them and their retail colleagues, the travel agents, and the prospect of Government control of the industry. Travel agents have been complaining for some time about the difficulties with some operators who, they have volubly argued, have cut margins so much that there

Crashes

At the moment, anyone who wants to be a tour operator can do so provided he thinks he has the money and the ability. It was a rash of crashes by people who had neither the cash nor the skill in the mid-sixties (Fiesta, Omar Khayyam) that provoked the then Board of Trade into thinking about operator registration and the Association of British Travel Agents into forming a rescue fund and being much tougher with members 1 order that State aid would be averted.

Every incident involving British travellers abroad makes it more certain that the rather vague wording of the Bill about licensing tour organisers will be translated into somewhat stronger action. It is quite possible that tour operators would be treated like airlines—licensed to do certain things and having to prove that they are airworthy (in this case by showing adequate cash balances). A governmental system of fines and other penalties might, for example, come into play when a tour operator overbooked.

It is to avoid this situation that ABTA now has to show itself to be both a trade protection society and a consumer watchdog, a dual role which the senior members to whom I have talked recently do not see as impossible. The commission of inquiry set up by the Association to look into the state of complaints about tour operators will meet for the first time next week and should be presenting an interim report within three weeks.



Mr. Bob Waller, chairman of the Association of British Travel Agents.

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The Spanish authorities have also been encouraged to put on a public display of ferocity. They were obviously highly amused this week that the British should take, what they regarded as "an irrelevantly

small minority" of complaints so seriously. Other big package markets for the Spanish, notably West Germany and Sweden, will not get the troubleshooter, the joint committee to examine problems, or the weekly availability of progress reports on hotels. Only the British, it seems, are pernicious enough to ask for them—or at least only the British Press is foolish enough to keep writing about them.

In fact the British are not the world's worst tourists as far as causing trouble is concerned. In Spain a recent Government-sponsored survey showed that the Germans complain most about the state of the beaches (9.7 per cent of them were upset compared with 6.7 per cent of the British), and the Germans too were annoyed by noise at night. The biggest non-complaining groups were the Austrians, the Belgians and Dutch and the Americans. Individual hoteliers, however, seem to like least playing host to the fastidious French.

Price rises

The Spanish survey was just another indication of the way in which the country is taking the preservation of its tourist image very seriously indeed. The travel business contributes nearly \$1,700m. a year in foreign currency to the Spanish economy, which is by far the largest chunk of external income.

Having suffered already from cholera scares, the occasional pollution problem (even if Spain is clinically clean compared with the Italian seaside), an occasional unfinished hotel and now the question of overbook-ing, the Spaniards were in a

touchy mood when Thursday arrived. Both sides were at first keen to demonstrate that they were largely right. It was then obvious that with the newspapers waiting outside a further public wrangle would be unfortunate, to say the least.

But efforts to tidy up the loose ends of the tourist situation in Spain are likely to add more to the already growing pressure for price increases on next year's holidays. Already the charter airlines which carry the package tourists have been asked, and largely been given, a 5 per cent increase in charter rates thanks to increased costs (such as aviation fuel). The narrow profitability of some operators has led to a general feeling that prices ought to rise if disaster is to be avoided. A couple of months ago the Air Transport Licensing Board warned that unless there was some increase in margins one or two operators might be forced to the wall.

Towards the end of last year, members of the Tour Operators Study Group (the big league's own club) introduced a scheme of "bonding" which should in theory prevent serious troubles for tourists if one of the top 20 package tour operators folds. The "bonds" are effectively insurance premiums which guarantee continued payment for holidays threatened by an operator's financial troubles.

In fact the events of Madrid are clearly a stepping stone in a gradual and accelerating process in the travel industry which started with the collapse of Fiesta. That incident came as a considerable shock to both the industry and the public. Until then no one had quite realised how big the package tour market had become. It is now three times as big and will

grow this year by 15-20 per cent. The bulk of the traffic goes to Not that Spain has always been happy with its position, suspected for some time there were too many and too little cash. The visitor to Spain in 1969 less per head than his counterpart did in 1966 (£40 cor with £44.70).

Up-market

He was also spending 1 day in Spain (£2.60) 11 would do in Austria, Switzerland and the Countries. The Sps noticed this and for a seemed to want to up the image, partly by p on the tour operators and by building conference in Madrid and the Costa e and a string of golf e There are signs that thi game, while continuing, fired by the burning an that once it was. Up-tourists will be more th come, but the traditional (heavily drawn from n class white-collar worker skilled artisans throu Europe) will not be t away.

So what does the h-maker get from all this? deliberations of Mr. Bob V current ABTA chairman, course people like Mr. Gullick, head of the industry giant, Clarksons, certainly produce a tish trol the British holiday a up of the procedures whic They are right when the that very few people, p tionately, are unhappy what they get. The dif arises when you or I ar of that small proportion

Giscard d'Estaing criticises creation of new SDRs

By Adrian Dicks

PARIS, July 30.

THE creation of \$3,000m. (£1,250m.) worth of Special Drawing Rights by the International Monetary Fund, due to take place automatically next January, does not seem to correspond to the present needs of the international monetary system, M. Valéry Giscard d'Estaing, French Minister of Finance, said here today.

He told a Press luncheon that France, in taking up this position towards the SDR system was confident that it would find a sympathetic echo among its partners in the European Community. Up to now SDRs had been relatively little used in international dealing. He said the total volume of transactions in SDRs had been well under \$1,500m. (£225m.). In future they should be distributed "only up to the point where the international monetary system can cope with them."

Fixed parities

M. Giscard d'Estaing repeated his view that the prospect of a Common EEC position on exchange rate reform—to which France remained opposed—would depend on the D-Mark and gulder returning to fixed parities.

"There is no reason for any European country to change its parity now," he added. The French Finance Minister firmly dismissed suggestions that bilateral contracts between France and Germany might take place between now and the meeting of Community Finance Ministers on September 15.

Yet, despite the denials from both sides, there have been some signs that a compromise may be hammered out between the two Governments, probably in early September, whereby France

would agree to look more sympathetically at exchange reform in return for the D-Mark's being put back on a fixed parity. Monetary opinion here now regards such a deal as increasingly likely.

*The Bundesbank yesterday sold between \$70m. and \$80m. on the Frankfurt foreign exchange market at DM3.4605/10, equivalent to a DM revaluation of 5.8 per cent. It has now sold between \$670m. and \$700m. in the last three days alone. Today's official fixing was DM3.4601.

Car price rise forecast

CARS were going to cost more by the time of the October Motor Show, Mr. Alan Dix, managing director of Volkswagen Motors, said yesterday.

"I do not think the public should be lulled by the recent welcome purchase tax cuts into thinking there will be no increases in car prices this year," he said at the official opening of the £175,000 Volkswagen Service Centre at Colindale, North London.

"As somebody from Vauxhall said the other day, there are too many cost inflationary already in the pipeline."

So while most in the motor trade had been happy to cut prices and pass on the full substantial benefit of the tax cuts to customers, he doubted if there was a single make of car which was not going to cost more by October than it does now.

Government to end port modernisation grants

By Ray Dafer

THE Government has decided to end 20 per cent port modernisation grants, Mr. John Peyton, Minister for Transport Industries, said in a written answer in Parliament yesterday.

Mr. Peyton said the scheme was no longer necessary or appropriate. The grants were designed to help the ports industry modernise and adapt to new cargo handling methods such as containers and roll-on-roll-off freight and to assist them to build facilities for the new generation of large bulk carriers and tankers.

Qualifying period

The grants were introduced in January, 1966. Between 1966 and 1970 ports capital expenditure amounted to about £220m., of which about £30m. was in the

form of grants. Mr. Peyton, I believe, now feels that U.K. ports are comparatively well equipped and that the emphasis should now turn to operating the facilities profitably.

Mr. Peyton said transitional arrangements would provide for grants to be paid for three more years only where contracts had been concluded by yesterday's date. The qualifying period before payment was normally made would be reduced from nine to six months.

As a special help for the Port of Liverpool, which was refused Government aid, grants will continue to be paid on contracts still to be let as an integral part of the £40m. Seaforth dock scheme. Loans for harbour works are still to be made available, and authorities are being told that they can apply for loans to cover

the amounts they would previously have received by way of grant.

The Government is easing restrictions on its sanctioning procedures for major capital works. In future only schemes costing more than £1m. as opposed to the previous limit of £500,000, would have to be referred to the Government and National Ports Council for approval.

Mr. Peyton added that he was considering other means of forwarding the Government's policies for the ports and would be making an announcement as soon as possible.

He reiterated that the NPC would have an important role to play in any such matters which, he understood, will probably relate to port financing arrangements, career structures and industrial relations.

Bread 'up 1p in September'

By David Walker

BRITAIN'S independent bakers, who supply around 20 per cent of the bread market, are likely to put up prices by 1p on a large loaf in September, Mr. Morris Zimmerman, director of the National Association of Master Bakers, Confectioners and Caterers, forecast in London yesterday.

Mr. Zimmerman's prediction reinforces earlier warnings from the major plant bakers that a further bread price rise is inevitable by the end of the year. The only uncertainty seems to be over the size of the increase. Last month, Mr. Michael Vernon, chairman of Spillers, whose United Bakeries subsidiary supplies 12 per cent of the U.K.

market, said 1p was the minimum amount on a standard loaf which at present generally costs 9p.

Other industry sources, however, have suggested that the initial increase might only be 3p. Mr. Zimmerman cited yesterday the 14 per cent wage increases due to shopworkers in the industry from August 30 as a prime factor in making the price rise likely. That was in addition to a similarly sized pay award to production workers in February.

Ingredients costs, particularly wheat flour, had also been rising steadily, he said. As a result, pressures on margins were considerable, notwithstanding the

CBI price restraint initiative. The last round of bread price increases came last winter, and was the third within 12 months. Almost all loaves went up by 1d each, but the increases were rounded down on decimalisation. It was widely thought then that several of the major bakery groups would have preferred to make their products 2d dearer, with the decimalised price of a standard large loaf being 10p.

None of the major groups is thought yet to have made definite plans for putting prices up again. There is known to be some holding back while the effects on raw material prices of the import levies system, introduced on July 1, is fully assessed.

FREIGHT RATE ASSESSMENT

The London Tanker Brokers' Panel has made a further monthly average freight rate assessment. It assesses the weighted average world tanker freights over the period June 15 to July 15, 1971 as follows—

For general purpose ships—Worldscale 114.6; for medium-range ships—Worldscale 110.5; for Large-range ships (Scale 1)—Worldscale 99.3; and for Large Range tankers (Scale 2)—Worldscale 86.1.

Betting duty revenue rises to £11.49m.

FINANCIAL TIMES REPORTER

REVENUE from betting and gaming duties increased by nearly £200,000 in July 1971, to a level £3.09m. higher than June, 1970.

Customs and Excise reports that general betting duty rose from £8.67m. in May to £8.06m. Revenue from off-course book-makers at £5.94m. was up by

£1.13m. On the totalisator, racing contributed an additional £20,000 at £11,000, and doing an extra £10,000 at £7 1970. Pool betting duty fell £556,000 to £2,62m., but still pared favourably with the £ collected in revenue 13 earlier. Bingo, £54 yielded an extra £125,000.

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1969 (Feb.) Silver Shadow saloon; Sage Green with Green hide; air conditioning; Recorded mileage: 11,000	£7,950	1969 (Dec.) Silver Shadow saloon; Black and White with Black hide; a conditioning; Recorded mileage: 30,000	£7,950
1968 (Jan.) Silver Shadow saloon; Shell Grey with Red hide; Recorded mileage: 14,000	£7,100	1968 (Aug.) Silver Shadow saloon; Regal Red with Beige hide; Recorded mileage: 21,000	£6,950

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AUSTRALIA IX

Local banks battling against overseas competition

By DESMOND KEEGAN

The trading banks have learned to live with their diminished direct roles in the Australian financial world but they have yet to prove they can compete effectively with the flood of foreign financiers now hanging out shingles.

The banks have diversified a lot because the traditional end of the scene has been frozen into a pre-war lending profile by monetary policies designed to contain inflation and counter balance-of-payments crises. And so far the banks have competed effectively with each other in consumer instalment credit and various other fields around the fringes of conventional banking activities.

But, a recent influx of "merchant" and "venture" banks has changed about 70 new competitors following varying strength and reputations to the financial structure. The dramatic upsurge in effective competition should be a healthy thing for Australia. But it has shocked the old trading banks which have not had too much recent competition in the past.

For the first time Australian financial houses are being compelled to compete at home with big, wealthy and vastly experienced foreign merchant banks. Unfortunately the banks are entering the fray with the added handicap of huge cheap loans in the rural sector made to comply with politically motivated Government fiat.

Many of the newcomers are linked with the genuine merchant banking houses of London (Hambros Bank, Samuel Montague and Co., J. Henry Schroder Wagg and Co., Lehman Bros., Hill, Samuel and Co., N. M. Rothschild and Sons, Baring Bros and Co., Cater Ryder and Co., The Chartered Bank, Kleinwort Benson and E. D. Sassoon and Co.). There are many other British houses involved.

Other arrivals bear U.S. names such as Philadelphia National Bank, Crocker Citizens' National Bank, Irving Trust Company, Morgan Guarantee Trust Company, Chase Man-

hattan Bank, Continental Illinois National Bank and Trust Company, Manufacturers Hanover Trust, Chemical Bank, United California Bank, Wells Fargo Bank, Bankers Trust Company, Marine Midland Bank, Bank of America, First National City Bank.

There are also many other strong financial houses being established by companies in France, Germany, Switzerland, Japan, Holland, Italy, Belgium, Canada and Hong Kong.

The arrival of these world-famous names coincide with Australia's elevation to the top few world raw material sources. And, obviously, exploration, development, processing, shipping and insurance in the raw material world calls for vast capital infusions and generates extensive needs in banking and allied service fields.

Medium-term loans

Many of the new financial institutions are both capital mobilisers and sources of management skills. These newcomers should find the medium-term loan demand field very easy to contest with the incumbent trading banks. The major trading banks have generally ignored longer-term loans in favour of providing working funds on overdraft facilities. Many of the newer financial institutions might prefer longer-term loan currencies combined with equity stakes.

They are generally not welcomed by the Australian banking establishment which has extensively advertised the "free enterprise banking system" but preferred the club atmosphere in practice. Mr. Lang Hancock, who hawked the Pilbara iron fields around unsuccessfully for years, and other raw material project developers (Robe River Iron... Admiralty Gulf bauxite) could attest to the lack of venture capital in Australia. The Australian banks reply with a first plea for the Government to dismantle some of its restrictions so that trading banks can expand in their

normal role rather than in fringe areas.

They say, too, that they have taken a great role in Australian development through the Australian Development Resources Bank which has raised about \$400m. for projects involving loans ranging from \$500,000 to \$60m.

The ADRB is owned by the trading banks, backed by a couple of state trading banks and the Reserve Bank and operated under a Commonwealth Government Act. It is founded on the need to step around some of the monetary policy restraints and a desire to take a stake in the country's development. It has proved a suitable vehicle to take some stake in the country's development while still enabling the banks to provide a flow of funds to personal and commercial borrowers.

At base the trading banks feel that the Federal Government is compounding its economic management problems by letting the fringe bankers expand in areas outside the present control of the monetary authorities. And the major local trading banks (only the British-owned ANZ Banking Group, is foreign) clearly resent overseas affiliated bankers and financiers entering the profitable and uncontrolled end of Australian fringe finance.

The banks claim (without much proof) that there is little scope for the substitution of additional financing as an alternative to the expansion of Australian banks because the country has a sound stock of foreign currency. But this is debatable because Australia's splendid stock of foreign exchange is founded on capital inflow. Australia pays its way on merchandise trade but its net invisibles run around \$1,000m. a year in the red. The gap is bridged so far by retained corporate earnings, borrowings and other capital inflow.

So the Australian banks are arguing on slender grounds in suggesting that the country can get along without the additional financing provided by the foreign banks. Until the great

Hire purchase

The trading banks have cashed in on the fringe banking by taking up large equities in major hire purchase financiers. And the hire purchase financiers have had good trading over the past year so the banks have been able to maintain their own profits in something like an acceptable growth pattern.

Alliance Holdings has lifted net profit by 17 per cent. in the latest financial year with others (Custom Credit and Associated Securities Ltd.) running about 30 per cent. ahead of the previous corresponding period.

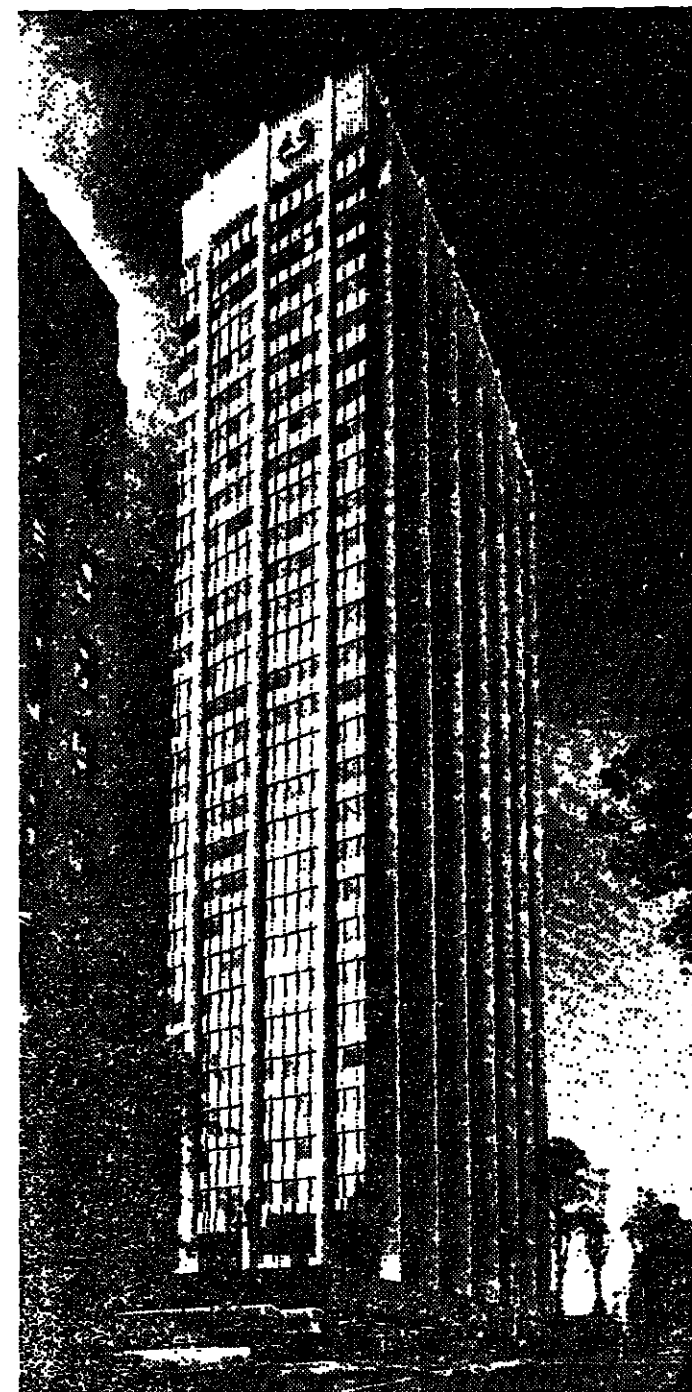
But the real challenge to the major trading banks probably lies in their own bailiwick in conventional banking activities developed a century ago. The Mineral Securities (MINSEC) crash put paid to the casual on-the-spot short-term money market and sent operators scurrying back to first-class paper. The major trading banks were sought after with a heavy demand for bank-endorsed commercial bills in the 90-day, 120-day and 180-day maturity range.

The bank-endorsed bill market grew to great size in the wake of MINSEC and some fine money market operators suggested that the banks could simply bring the unofficial money market back in their control if they so choose. The banks may not wish to develop the endorsed bill side of finance all that much but somebody will because the commercial bill market is growing and its pace is rapid.

Another area where the banks could grow is in the longer-term end of the capital structure where advice and expertise is also attached. The banks have traditionally not been geared to offer commercial and assessment facilities attached to the medium-term loans.

The monolithic structure of the Australian branch banking system has virtually strangled the assessment function of banking which has tended to train managers more in the public service mould than in the capitalist venture strain.

But this is not so with the newcomers from the merchant and venture banking scene. They can assess a project and they will provide funds attached



The Bank of New South Wales, Sydney.

to equity gauged by their own experts and backed with big money.

The major Australian trading banks are protected to a great extent because foreign banks cannot get a licence to operate in this country. But, depending on their initiative, great expansion is to be had and profits should sit on a steadily ascending line during the 1970s. The shock effect of the incoming foreign banks could startle the Australian banks into some imaginative and dynamic initiatives. Indeed, there are signs that the banks will end this decade with some of the prime mover qualities they had several generations ago.

They can assess a project and they will provide funds attached

Strong currency position

— (Cont'd.)

Continued from previous page

at the same time make it more difficult for Australian manufacturers in Australia's most important export market for manufactures.

Unfortunately, most of Australia's long-term iron-ore contracts with Japan have been signed in terms of U.S. dollars. To the extent that Australia revalues against the U.S. dollar this will slash export revenue by the extent of the revaluation. However, this will be offset to some extent as the borrowings to finance this development has also been written in terms of U.S. dollars.

Geographical basis

In general of course, a revaluation of the Australian dollar would tend to benefit Australian exporters by slowing down the pressure on costs. And the price effects of changes in currency parities can be overemphasised in assessing the impact they will have on Australian exports. In the age of the multi-national corporation world markets tend to be split up on a geographical basis and changes are unlikely to occur simply because of relatively marginal price changes as a result of parity changes in currencies.

The parity changes are likely to have a far larger impact on capital movements. Speculative movements apart, the net result of an appreciation of the major currencies against the dollar will encourage investment in the U.S. On balance, the

Nixon package is likely to have an inflationary impact on the domestic U.S. economy. This will tend to make investment in the U.S. relatively more attractive leaving less funds available for investment abroad as imports become less competitive with domestic products and export markets become more profitable.

As the U.S. provides around half Australia's foreign investment funds there can be expected to be a falling off of funds from this source and from the Euro-dollar market.

However, the net apparent private capital inflow last year was almost twice the amount needed to finance Australia's current account deficit. It would be difficult to imagine a situation where the capital inflow fell away to the point where it was not sufficient to cover the current account deficit.

Strong reserves

Although there are numerous unknowns in the current currency crisis which have not even begun to be resolved it is difficult to see Australia's international reserves being eroded. And even if they were, at \$2,300m., Australia could more than stand the strain without making fundamental policy changes affecting the domestic economy.

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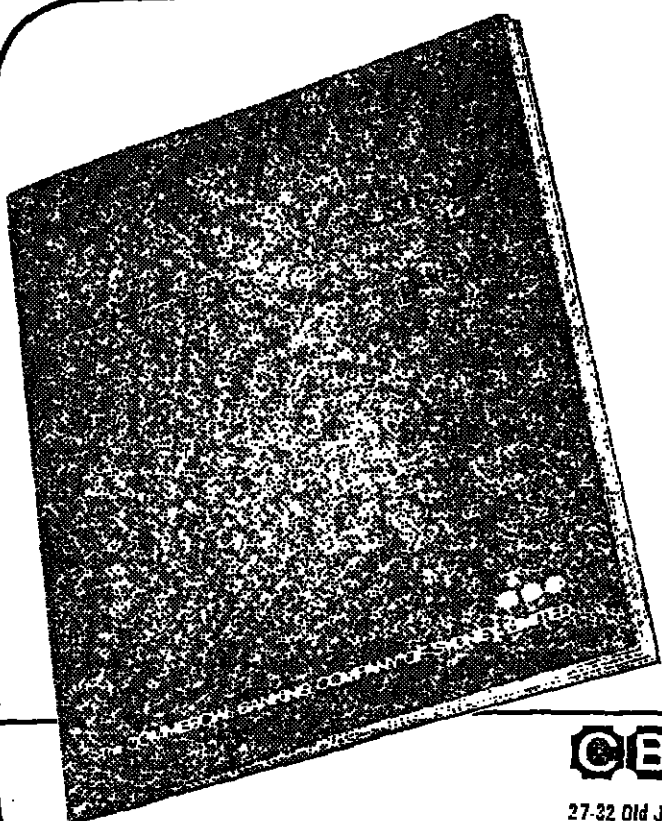
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HOTELS AND CATERERS—Continued

1971			Quota	Price	+	Block	+	Time
High	Low							
130	100	Golden Ren Co.	119			185	2.0	
129	133 1/2	Grand Nat. Corp.	119	+		6	34.6	
136	165	Kingsmont Pl.	292 1/2			11	2.4	
252	182	Do. 'A'	250			200	2.4	
122	122	Do. 'B'	250			200	2.4	
122	122	Ladbro.	254			640	2.3	
8	25	Lectura Gen.	80			110	2.5	
64	30	Lyons & L.	300	+		15.9	1.4	
16	16	Maric Penstock	60	+		4824	1.4	
148	148	Maric Penstock	60			18	1.5	
111	111 1/2	Mayfield Sp.	121			18	1.5	
38	37 1/2	Norfolk Cap. B.	61			28	1.8	
78	50	North W. P.	58			16	1.6	
259 1/2	14	Palace Derby	14					
27	18	Palmer Nat. Inv.	19					

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145	71	Adm. Serv. (S)	72	1	1.4
146	72	Adm. Serv. (S)	72	1	1.4
147	73	Adm. Serv. (S)	72	1	1.4
148	74	Adm. Serv. (S)	72	1	1.4
149	75	Adm. Serv. (S)	72	1	1.4
150	76	Adm. Serv. (S)	72	1	1.4
151	77	Adm. Serv. (S)	72	1	1.4
152	78	Adm. Serv. (S)	72	1	1.4
153	79	Adm. Serv. (S)	72	1	1.4
154	80	Adm. Serv. (S)	72	1	1.4
155	81	Adm. Serv. (S)	72	1	1.4
156	82	Adm. Serv. (S)	72	1	1.4
157	83	Adm. Serv. (S)	72	1	1.4
158	84	Adm. Serv. (S)	72	1	1.4
159	85	Adm. Serv. (S)	72	1	1.4
160	86	Adm. Serv. (S)	72	1	1.4
161	87	Adm. Serv. (S)	72	1	1.4
162	88	Adm. Serv. (S)	72	1	1.4
163	89	Adm. Serv. (S)	72	1	1.4
164	90	Adm. Serv. (S)	72	1	1.4
165	91	Adm. Serv. (S)	72	1	1.4
166	92	Adm. Serv. (S)	72	1	1.4
167	93	Adm. Serv. (S)	72	1	1.4
168	94	Adm. Serv. (S)	72	1	1.4
169	95	Adm. Serv. (S)	72	1	1.4
170	96	Adm. Serv. (S)	72	1	1.4
171	97	Adm. Serv. (S)	72	1	1.4
172	98	Adm. Serv. (S)	72	1	1.4
173	99	Adm. Serv. (S)	72	1	1.4
174	100	Adm. Serv. (S)	72	1	1.4
175	101	Adm. Serv. (S)	72	1	1.4
176	102	Adm. Serv. (S)	72	1	1.4
177	103	Adm. Serv. (S)	72	1	1.4
178	104	Adm. Serv. (S)	72	1	1.4
179	105	Adm. Serv. (S)	72	1	1.4
180	106	Adm. Serv. (S)	72	1	1.4
181	107	Adm. Serv. (S)	72	1	1.4
182	108	Adm. Serv. (S)	72	1	1.4
183	109	Adm. Serv. (S)	72	1	1.4
184	110	Adm. Serv. (S)	72	1	1.4
185	111	Adm. Serv. (S)	72	1	1.4
186	112	Adm. Serv. (S)	72	1	1.4
187	113	Adm. Serv. (S)	72	1	1.4
188	114	Adm. Serv. (S)	72	1	1.4
189	115	Adm. Serv. (S)	72	1	1.4
190	116	Adm. Serv. (S)	72	1	1.4
191	117	Adm. Serv. (S)	72	1	1.4
192	118	Adm. Serv. (S)	72	1	1.4
193	119	Adm. Serv. (S)	72	1	1.4
194	120	Adm. Serv. (S)	72	1	1.4
195	121	Adm. Serv. (S)	72	1	1.4
196	122	Adm. Serv. (S)	72	1	1.4
197	123	Adm. Serv. (S)	72	1	1.4
198	124	Adm. Serv. (S)	72	1	1.4
199	125	Adm. Serv. (S)	72	1	1.4
200	126	Adm. Serv. (S)	72	1	1.4
201	127	Adm. Serv. (S)	72	1	1.4
202	128	Adm. Serv. (S)	72	1	1.4
203	129	Adm. Serv. (S)	72	1	1.4
204	130	Adm. Serv. (S)	72	1	1.4
205	131	Adm. Serv. (S)	72	1	1.4
206	132	Adm. Serv. (S)	72	1	1.4
207	133	Adm. Serv. (S)	72	1	1.4
208	134	Adm. Serv. (S)	72	1	1.4
209	135	Adm. Serv. (S)	72	1	1.4
210	136	Adm. Serv. (S)	72	1	1.4
211	137	Adm. Serv. (S)	72	1	1.4
212	138	Adm. Serv. (S)	72	1	1.4
213	139	Adm. Serv. (S)	72	1	1.4
214	140	Adm. Serv. (S)	72	1	1.4
215	141	Adm. Serv. (S)	72	1	1.4
216	142	Adm. Serv. (S)	72	1	1.4
217	143	Adm. Serv. (S)	72	1	1.4
218	144	Adm. Serv. (S)	72	1	1.4
219	145	Adm. Serv. (S)	72	1	

137	60	BBR Group	137	+1	15	1.7
152	59	TRF Loyland	86		20	1.2
150	90	Baird Wm (C1)	47	-1	35	2.0
43	28	Randall Hgn (S1)	142		11	2.0
115	169	Wm. H. W. & Co	108		250	11.6
151	134	Garrett (L1)	27		265	2.0
177	181	Baird Wm (C1)	47		11	2.0
148	82	B. W. & T. A.	52		115	1.2
148	82	Barron Hgn (S1)	142	-2	125	2.0
150	15	Bath & Portland	106	-1	174	1.9
139	52	Watson Clark	139		19	2.7
105	63	Seaworthy	101	-2	22	2.0
130	26	Wm. H. W. & Co	108		250	11.6
106	15	Bollard Gm (L1)	50		224	1.5
145	110	Seafans Int. (20p)	140		450	2.0
2078	15	Seafans	140		450	2.0
150	90	Baird Wm (C1)	47	-1	35	2.0
152	59	TRF Loyland	86		20	1.2

[illegible]

186	9534	Bk. <i>Siphon</i> 20p	198			2.2
187	9535	Bk. <i>Siphon</i> 20p	199	+7	17	4.6
188	9536	Uric. V. 10p	200		18	5.0
189	9537	Uric. V. 10p	201		18	5.0
190	9538	Uric. V. 10p	202		18	5.0
191	9539	Uric. V. 10p	203		18	5.0
192	9540	Uric. V. 10p	204		18	5.0
193	9541	Uric. V. 10p	205		18	5.0
194	9542	Uric. V. 10p	206		18	5.0
195	9543	Uric. V. 10p	207		18	5.0
196	9544	Uric. V. 10p	208		18	5.0
197	9545	Uric. V. 10p	209		18	5.0
198	9546	Uric. V. 10p	210		18	5.0
199	9547	Uric. V. 10p	211		18	5.0
200	9548	Uric. V. 10p	212		18	5.0
201	9549	Uric. V. 10p	213		18	5.0
202	9550	Uric. V. 10p	214		18	5.0
203	9551	Uric. V. 10p	215		18	5.0
204	9552	Uric. V. 10p	216		18	5.0
205	9553	Uric. V. 10p	217		18	5.0
206	9554	Uric. V. 10p	218		18	5.0
207	9555	Uric. V. 10p	219		18	5.0
208	9556	Uric. V. 10p	220		18	5.0
209	9557	Uric. V. 10p	221		18	5.0
210	9558	Uric. V. 10p	222		18	5.0
211	9559	Uric. V. 10p	223		18	5.0
212	9560	Uric. V. 10p	224		18	5.0
213	9561	Uric. V. 10p	225		18	5.0
214	9562	Uric. V. 10p	226		18	5.0
215	9563	Uric. V. 10p	227		18	5.0
216	9564	Uric. V. 10p	228		18	5.0
217	9565	Uric. V. 10p	229		18	5.0
218	9566	Uric. V. 10p	230		18	5.0
219	9567	Uric. V. 10p	231		18	5.0
220	9568	Uric. V. 10p	232		18	5.0
221	9569	Uric. V. 10p	233		18	5.0
222	9570	Uric. V. 10p	234		18	5.0
223	9571	Uric. V. 10p	235		18	5.0
224	9572	Uric. V. 10p	236		18	5.0
225	9573	Uric. V. 10p	237		18	5.0
226	9574	Uric. V. 10p	238		18	5.0
227	9575	Uric. V. 10p	239		18	5.0
228	9576	Uric. V. 10p	240		18	5.0
229	9577	Uric. V. 10p	241		18	5.0
230	9578	Uric. V. 10p	242		18	5.0
231	9579	Uric. V. 10p	243		18	5.0
232	9580	Uric. V. 10p	244		18	5.0
233	9581	Uric. V. 10p	245		18	5.0
234	9582	Uric. V. 10p	246		18	5.0
235	9583	Uric. V. 10p	247		18	5.0
236	9584	Uric. V. 10p	248		18	5.0
237	9585	Uric. V. 10p	249		18	5.0
238	9586	Uric. V. 10p	250		18	5.0
239	9587	Uric. V. 10p	251		18	5.0
240	9588	Uric. V. 10p	252		18	5.0
241	9589	Uric. V. 10p	253		18	5.0
242	9590	Uric. V. 10p	254		18	5.0

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936	43	Steno up	22	16	1.4
937	45	Black. Ind. Sea	51	5	
938	46	Black. Ind. Sea	51	5	
103	50	Willots P. 100	102	4	2.0
104	51	Black & Robinson	39	16	0.9
105	52	Black & Robinson	39	16	0.9
126	53	Black & Robinson	39	16	0.9
1267	100	Burg. Ch. Clays	109	11	1.0
127	112	Bar. Perries	157	160	0.2
128	113	Black & Robinson	39	16	0.9
129	114	Black & Robinson	39	16	0.9
176	105	Black & Robinson	39	16	0.9
177	106	Black & Robinson	39	16	0.9
181	107	Black & Robinson	39	16	0.9
182	108	Black & Robinson	39	16	0.9
183	109	Black & Robinson	39	16	0.9
184	110	Black & Robinson	39	16	0.9
185	111	Black & Robinson	39	16	0.9
186	112	Black & Robinson	39	16	0.9
187	113	Black & Robinson	39	16	0.9
188	114	Black & Robinson	39	16	0.9
189	115	Black & Robinson	39	16	0.9
190	116	Black & Robinson	39	16	0.9
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192	118	Black & Robinson	39	16	0.9
193	119	Black & Robinson	39	16	0.9
194	120	Black & Robinson	39	16	0.9
195	121	Black & Robinson	39	16	0.9
196	122	Black & Robinson	39	16	0.9
197	123	Black & Robinson	39	16	0.9
198	124	Black & Robinson	39	16	0.9
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203	129	Black & Robinson	39	16	0.9
204	130	Black & Robinson	39	16	0.9
205	131	Black & Robinson	39	16	0.9
206	132	Black & Robinson	39	16	0.9
207	133	Black & Robinson	39	16	0.9
208	134	Black & Robinson	39	16	0.9
209	135	Black & Robinson	39	16	0.9
210	136	Black & Robinson	39	16	0.9
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212	138	Black & Robinson	39	16	0.9
213	139	Black & Robinson	39	16	0.9
214	140	Black & Robinson	39	16	0.9
215	141	Black & Robinson	39	16	0.9
216	142	Black & Robinson	39	16	0.9
217	143	Black & Robinson	39	16	0.9
218	144	Black & Robinson	39	16	0.9
219	145	Black & Robinson	39	16	0.9
220	146	Black & Robinson	39	16	0.9
221	147	Black & Robinson	39	16	0.9
222	148	Black & Robinson	39	16	0.9
223	149	Black & Robinson	39	16	0.9
224	150	Black & Robinson	39	16	0.9
225	151	Black & Robinson	39	16	0.9
226	152	Black & Robinson	39	16	0.9
227	153	Black & Robinson	39	16	0.9
228	154	Black & Robinson	39	16	0.9
229	155	Black & Robinson	39	16	0.9
230	156	Black & Robinson	39	16	0.9
231	157	Black & Robinson	39	16	0.9
232	158	Black & Robinson	39	16	0.9
233	159	Black & Robinson	39	16	0.9
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235	161	Black & Robinson	39	16	0.9
236	162	Black & Robinson	39	16	0.9
237	163	Black & Robinson	39	16	0.9
238	164	Black & Robinson	39	16	0.9
239	165	Black & Robinson	39	16	0.9
240	166	Black & Robinson	39	16	0.9
241	167	Black & Robinson	39	16	0.9
242	168	Black & Robinson	39	16	0.9
243	169	Black & Robinson	39	16	0.9</

[illegible][illegible]

73	136	Bayonet Corp.	65	50	5	4
74	136	Bayonet Corp.	65	50	5	4
75	136	Bayonet Corp.	65	50	5	4
76	136	Bayonet Corp.	65	50	5	4
77	136	Bayonet Corp.	65	50	5	4
78	136	Bayonet Corp.	65	50	5	4
79	136	Bayonet Corp.	65	50	5	4
80	136	Bayonet Corp.	65	50	5	4
81	136	Bayonet Corp.	65	50	5	4
82	136	Bayonet Corp.	65	50	5	4
83	136	Bayonet Corp.	65	50	5	4
84	136	Bayonet Corp.	65	50	5	4
85	136	Bayonet Corp.	65	50	5	4
86	136	Bayonet Corp.	65	50	5	4
87	136	Bayonet Corp.	65	50	5	4
88	136	Bayonet Corp.	65	50	5	4
89	136	Bayonet Corp.	65	50	5	4
90	136	Bayonet Corp.	65	50	5	4
91	136	Bayonet Corp.	65	50	5	4
92	136	Bayonet Corp.	65	50	5	4
93	136	Bayonet Corp.	65	50	5	4
94	136	Bayonet Corp.	65	50	5	4
95	136	Bayonet Corp.	65	50	5	4
96	136	Bayonet Corp.	65	50	5	4
97	136	Bayonet Corp.	65	50	5	4
98	136	Bayonet Corp.	65	50	5	4
99	136	Bayonet Corp.	65	50	5	4
100	136	Bayonet Corp.	65	50	5	4

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For Notes, see Stock Exchange Dealings.

Business

property valuations in Western Europe

RICHARD ELLIS & SON
Chartered Surveyors

MAN OF THE WEEK

'Cunard is a bit of Britain'

BY JAMES McDONALD

SIR BASIL SMALLPEICE, chairman of Cunard, is sitting in the hot seat this week-end. On Monday he hopes to send to the thousands of small shareholders most of them depending upon his opinion—his evaluation of the Trafalgar House bid of 200p per share for the company. Sir Basil said that his statement had to be cleared in every particular with the City Takeover Panel. "The City code is much more onerous on defenders than on bidders. The defence has to be prepared with as much care as issuing a prospectus, while the bid document does not."

Sir Basil, aged 64, is no stranger to difficult situations, but he has emerged from all of them with considerable dignity. If he makes a wrong decision in his evaluation of the Trafalgar bid, most observers of his commercial life will say that it was made sincerely on behalf of Cunard shareholders and of the staff.

Sacked, many believe mistakenly, in 1963 as managing director of British Overseas Airways Corporation, Sir Basil became chairman of Cunard in 1965. "I took on the chairmanship on the basis of getting the business onto a profitable footing."

Phlegmatic

A man of unvarying courtesy and of immense unflappability—the old-fashioned term is phlegmatic—Sir Basil denies that his purpose as chairman has been to revive Cunard in a sad state when he took over—to a situation where shareholders could receive a profitable take-over bid. "But intrinsically Cunard is a better take-over proposition than when I took over. But I never envisaged a property group bid, have been one from the shipping industry."

He is acutely aware that some major British shipping com-



panies would prefer Cunard to be broken up with some valuable assets available in the auction, such as the QE2, the two cruise-ships being built in Holland, and the lucrative offshore marine services offered to oil and gas rigs.

"I agree that a number of small shareholders look to me for guidance: the number of letters I have received recently proves that. They hold the final hand—15,000 shareholders with less than £500 apiece." He feels deeply that Cunard means a bit of Britain. "I have been astonished at what the Cunard name appears to mean to Australians, Americans and others—more than that of, say, P and O and Furness Withy."

Self-reliant

Outside his professional sphere Sir Basil is a rather shy person but one, he believes, trained by circumstances to be self-reliant. He was born in South America and his father was a bank manager there; he was educated in Britain and saw his parents only about every 5 or 6 years during his formative and educational years. "I've always had to fight my own way, and Sir Basil has no personal axe to grind in the current take-over battle. His contract as chief executive and chairman has another 31 years to run and this is valid even if Trafalgar obtains control. "I am not fighting my own battle."

Asked if he felt that, at 64, there was a desire to retire from the business "jungle," he said: "I don't want to retire whenever you things go in Cunard. I come from a long-lived family on my mother's side. My grandmother lived to 95 and my own mother to the same age. Five of my grandmother's six children made over 90. I expect to be here for some time to come."

Sir Basil in recent years has had little time for hobbies—no golf for example for the past 21 years. But, in the context of the present Cunard situation, he recalls that he used to enjoy climbing mountains. "Fighting a take-over bid is not dissimilar from climbing a mountain—you plan your route."

Asked if he used the term "fighting" the Trafalgar bid, Sir Basil said any bid was a financial transaction. One had to fight it on price. "It will be settled on price. I personally am fighting to keep Cunard independent." He believed that Cunard could still have a profitable future as an independent.

THE LEX COLUMN

John Brown's defensive possibilities

Having sustained what looks very like its fastest five month rise since the war in two very clearly defined stages, the equity market now has all the characteristics of an overbought state. The best working hypothesis now, then, may well be that it is due for a consolidation which, by the nature of things, would be more or less of a reaction rather than a sideways movement, for looking ahead, it is easy enough to see how the move from fear through confidence, spurred as it has been by two reactionary gestures, could have run its course.

Meanwhile in Wall Street, it is hard to avoid the conclusion that the weakness in front of some unhelpful economic news would not have had the momentum it has had but for the combination of very low liquidity and net redemptions at the mutual funds.

John Brown

John Brown has matched its forecast with £4.55m. pre-tax and a £140,000 Rolls-Royce provision against £5.21m. within

that, there have been some sharp swings in individual contributions. On the positive side, general engineering has jumped £532,000 to £1.38m. on sales of £27m. and with last year's orders for gas turbines up by perhaps 35 per cent. to over £20m., there should be plenty of impetus left here. Against that, chemical engineering and machine tools—two thirds of profits before group expenses—have each dropped around £580,000: no surprise in the first instance given the known shortage of pipelining work, while the machine tool setback may have as much to do with labour problems as with demand.

Chemical engineering looks reasonably well protected for the current year considering the way profitability builds up over the life of a contract and potential future losses are provided against. As for machine tools, Wickman's anti-cyclical strengths in special tools, notably multi-spindle automatics still seem to be holding good. So containers and trailers, with profits of just £208,000, are

the most obviously vulnerable earnings source, and a p/e of 7.7 at 129p can comfortably take care of that.

Fitch Lovell

In the first half of 1970-71, Fitch Lovell surprised people by producing a 13 per cent. rise in pre-tax profits from an 8 per cent. rise in sales. In the second half, a 7 per cent. sales rise has lifted profits a cool 49 per cent. to £2.3m. pre-tax making £4.3m. for the year against £3.3m.

This, judging by the 4p rise to 90p yesterday, was less surprising than it looks. The shares have been a strong market ahead of the results but remain moderately priced in relation to the market—with a 15.7 p/e on earnings of 5.66p a share—and cheap in view of Fitch's long-term growth record. Prospects, too, should be sound enough. The decision to increase price flexibility cannot have helped much in a year ending on April 24, so the Key super-markets division stands more chance of being a plus item in

1971-72. Last year's mainstays—food manufacturing, first-hand wholesaling (that is, bulk business), and the butchers' shops all look reasonably well placed; but the strength of Fitch, overall, must be its recognition of the various demand cycles in an extremely widespread food business, with an apparent ability to maximise the ups and minimise the downs.

IC Gas

The growth at Imperial Continental Gas—pre-tax profits are up from £4.37m. to £4.97m.—is largely accounted for by a gain of some £500,000 at Calor Gas, plus nearly £100,000 from Century Power and Light. The latter more than doubling to £166,000 as a reflection of an extra six months' production at the Hewitt North Sea gas field. Calor Gas has stepped up the 1969-70 rate of improvement, with volume and prices moving ahead but raw material costs held back by long-term contracts: hence a 27 per cent. pre-tax gain there against a 14 per cent. growth in turnover. Mean-

while the Belgian and French utility subsidiaries, in fairly average weather conditions, have raised their contribution just 3 per cent. to £2,09m.

At 486p the shares sell at 26.6 times earnings; the Belgian side's unconsolidated retentions are roughly a third of published group net profits; and IC Gas should get a slight earnings boost from the acquisition of LPG in Ireland: consolidating LPG appears to raise earnings from 17.7p to 18.9p, fully diluted.

Finally, there is the touch of North Sea glamour, with Century scheduled to double sales over the next three years or so, and the possibility of oil production at the Josephine field in the medium term.

BSA

Who should know next week whether Mr. McDonald will proceed with some kind of partial bid for BSA after the Cooper Bros. report, but what is already certain is that it will be on a very different basis. Having lost an estimated £3m.

in the year to July, before a reorganisation provision of £1m. with more to come this year, BSA is running out of borrowing power. The implication is that any new formula would involve the injection of capital by Vision Enterprises in exchange for new shares. The amount required would apparently be "substantial" which could presumably mean anything up to the full £5.5m. thing which Mr. McDonald had originally proposed for buying out 80 per cent. of the present equity.

That provisional offer of 55p a share valued the group at £9.3m. and for points of reference as to how the situation may have changed, the loss and provisions might be, say, £3m. (pre-tax) worse than expected while, on the other side, the non-motor cycle division if it is making about £700,000 pre-tax could be valued at £4m. or £5m. Meanwhile, the point where the injection of £5.5m. would represent 50 per cent. of BSA would be at a share valuation of about 32½p.

New plan to end Senate deadlock on Lockheed

BY GUY DE JONQUIERES

FRESH hopes were raised to-day of unravelling the Lockheed loan guarantee imbroglio when leaders of both parties in the House of Representatives agreed on a plan intended to break the deadlock which is holding up the legislation in the Senate.

The House agreement involves obvious risks for the fate of the Lockheed guarantee. But in view of the tough opposition which the Bill is facing in the Senate—where another attempt to cut off debate was defeated this morning—Lockheed's supporters feel that it is at least worth trying out.

The plan calls for the abandonment of the broad legislation now before both chambers of Congress which would set up a \$2,000m. fund to assist major corporations in financial difficulty. Instead, the House would vote simply on whether to give Lockheed \$250m. in loan guarantees.

This suggestion was being put

before the House and there was some hope that a vote might be taken on it later to-day. Mr. Gerald Ford, the Republican leader, said he expected that approval by the House would put pressure on the Senate to end its filibuster and to vote on a similar proposal.

It is considered likely that the plan will succeed in the House. But there is some doubt about its fate in the Senate, where it could lead to an outright veto of the Lockheed guarantee.

A compromise agreement was reached in the Senate yesterday, which provided for the abandonment of the \$2,000m. legislation in exchange for an undertaking by Lockheed's opponents to halt their filibustering tactics.

Discouraged

However, this agreement fell through when it was discovered that a number of Senators who were prepared to support the broad legislation would not ap-

prove a loan guarantee for Lockheed alone.

The obvious danger is that such a situation would repeat itself in the Senate, resulting in a veto of the Lockheed guarantee. If the House plan is approved, great pressure is certain to be brought on the waverers in the Senate, by both Lockheed's supporters and its opponents.

The failure of this morning's "closure vote" inevitably bred discouragement among Lockheed's supporters and jubilation among the opponents. The vote fell seven votes short of the required two-thirds majority, with 53 in favour and 37 against.

Another closure motion has been called for Monday, but this is considered something of a formality, which few people believe is likely to succeed. For the moment, Lockheed's supporters are biding their time and hoping that action in the House of Representatives will provide some new way of breaking the deadlock.

P.O. union expels 338 non-strikers

WASHINGTON, July 30.

THE Union of Post Office Workers yesterday expelled 338 members who worked during the official pay strike earlier this year. Altogether 460 cases were considered by the executive in involving East Anglia members. Seven members were excused, one suspended for 12 months, two warned about their future conduct, 11 referred to a sub-committee that can impose fines and 101 deferred for further information.

6,000 resigned

About 16,000 UPW members were reported to the union for working during the strike. Nearly 6,000 have resigned from the union and the remainder will have their cases heard by the executive over the next few months.

There is no closed shop in the Post Office, therefore employees expelled from the union do not lose their jobs.

8½% rise cheers Government

BY MICHAEL HAND, LABOUR CORRESPONDENT

THE GOVERNMENT drew comfort last night from the 8½ per cent. average pay rises accepted by union negotiators yesterday in talks on a new wage settlement for 200,000 industrial civil servants.

The proposed agreement, which the union leaders will recommend should be accepted, is seen by Ministers as being in tune with their strategy for progressively lowering the level of pay settlements. It was all the more welcome to them following Wednesday's 11 per cent. arbitration award to 116,000 Post Office engineers which knocked a hole in the Government's policy.

But the unions representing the workers in the Government's industrial establishments such as ordnance factories and dockyards were able to claim they had twice as much to force up the original offer of 7½ per cent. They had been told by Lord Jellicoe,

Lord Privy Seal, the Minister in charge of the Civil Service, that the last offer of 8 per cent. was "final."

The settlement is an important one in that it is first in a major round of public sector pay negotiations. Last year they won a 13 per cent. increase, which had an effect on later settlements.

In the current negotiations the unions were left in a difficult position after the last meeting when they were offered the choice of accepting either an extra £1.50 a week for everyone or £1.60 for craftsmen and £1.45 for unskilled workers. This meant that one or other of the two groups would have had to accept less than the best offer. In yesterday's talks the official side stepped up the offer to the proposed settlement unions will get 80 per cent. of the men's rate instead of 87½ per cent. at present.

Increases under the new deal range from just under 7 per cent. to 9½ for the lower paid and will be back-dated to July 1. The new wage scales will be from £17.30 to £23.35 a week. London rates are £1.60 more. The deal is expected to cost about £16m. in a full year.

Ottawa studies Supertest merger with BP Canada

BY OUR OWN CORRESPONDENT

MONTREAL, July 30.

THOUGH it is known that BP Canada and Supertest Petroleum informed the Federal Government of their merger plans well before the announcement, officials of both companies have been called in by Ottawa to discuss details of the deal with the Energy Department.

Supertest was the last major independent petrol retailer left in Canada not owned by a major oil company. It has bought its refinery supplies for many years mainly from Imperial oil, both in Ontario and Quebec, and the industry had assumed that Imperial (Jersey Standard) would be the likely buyer when the Thompson family of London, Ontario, judged the time right for sale.

Mr. Gordon Thompson, chairman, now 75, started the \$50m. business on Dundas Street, London in 1925.

Estate planning

It is widely believed that estate planning and the complexities of the pending capital gains tax are the chief factors in the sale's timing. The Thompson family by selling its holding of Supertest voting Common would get around \$17m. cash from the deal, plus a continuing stake in the merged Supertest-BP operations in Canada.

It is Supertest that has the

stock market listing for both classes of stock, Common and Ordinary. The new one-class voting stock of Supertest under the deal, could still be listed and in this way there could be a publicly listed stock representing the chief operating end of the BP business in Canada. BP Canada, the holding company in turn owned by British Petroleum, would have about 70 per cent. of the equity in the merged group and the public about 30 per cent.

Treasury bill rate steady

Financial Times Reporter

THE TREASURY bill rate showed little change at yesterday's tender, rising a bare 20.000 per cent. to 25.564 per cent. The Discount market syndicate submitted an unchanged bid of 25.61.

Applications were reduced £71m. to £221m., with the amount of bills offered cut by £60m. to £120m. The market syndicate received an allotment of 36 per cent. of application, against 45 per cent. the previous week.

All bills offered were allotted, while next Friday \$p to 450p, well ahead of the Cavenham offer of 42½, which currently tops the bidding.

The Bovril Board issued a holding statement to the effect that it was considering the latest Cavenham terms, and that a further announcement would follow after the Board and its advisers had seen the formal offer relating to the new Cavenham bid.

Bovril: Beecham appoints advisers

BY SANDY McLAHLAN

IT WAS confirmed yesterday that Beecham Group has appointed Morgan Grenfell as financial advisers to look into the Bovril situation.

A Morgan Grenfell spokesman yesterday emphasised that this did not mean any commitment to bid on the part of Beecham, which at this stage merely wanted to get the information from Schroder Wagg (advisers to Bovril) which is available to the other bidders, Cavenham Foods and Rowntree Macintosh. Even an admission of interest on the part of Beecham, which

has previously stuck firmly to a "no comment" when its name has been mentioned in connection with Bovril, prompted the market to further speculative activity in Bovril shares. They rose a further 5p to 450p, well ahead of the Cavenham offer of 42½, which currently tops the bidding.

The Bovril Board issued a holding statement to the effect that it was considering the latest Cavenham terms, and that a further announcement would follow after the Board and its advisers had seen the formal offer relating to the new Cavenham bid.

Dover Plan satisfies DTI on funds

BY MICHAEL BLANDEN

INTERNATIONAL Life Insurance (U.K.), the Dover Plan subsidiary of the IFS group, has now met the requirements of the Department of Trade and Industry to ensure protection of its policyholders' funds.

It announced yesterday that it had completed arrangements for the custodianship of assets, which would be held by the Midland Bank Executor and Trustee Company as the approved custodian. The company said it had now

"complied with all aspects of the DTI's requirements." These were designed to ensure the insulation of ILS's assets from the problems and dissensions of the ultimate parent company, the crisis-torn IFS.

The assets concerned cover the company's U.K. liabilities as established in audited accounts and actuarial valuations included in the return made to the DTI for December 31, 1970, updated to June 30, 1971 and, so far as the unit accounts are concerned, to July 25.

Finance for Expansion

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Weather

U.K. TO-DAY

Most places will have a very warm day, and long spells of clear sun. However, in the S.W. and in N. Ireland, W. Scotland it will be cloudy with outbreaks of thundery showers and thunderstorms. This weather may spread to N. Wales and the Atlantic. In the S.W. and in N. Ireland, W. Scotland it will be cloudy with outbreaks of thundery showers and thunderstorms. This weather may spread to N. Wales and the Atlantic. In the S.W. and in N. Ireland, W. Scotland it will be cloudy with outbreaks of thundery showers and thunderstorms. This weather may spread to N. Wales and the Atlantic.

Mostly dry, sunny spells, coming cloudy with outbreaks of thundery showers. Wind moderate, becoming variable. Light. Max. 24°C (75°F). S.W. Eng.; S. Wales; N. Ire. Cloudy, outbreaks of thundery rain. Isolated thunderstorms. Brighter later. Wind S.W. becoming S.W. moderate. Lake Dist.; S.W. Scot. Cloudy. Cent. Highlands. Mainly dry, sunny spells. S.E. moderate. Max. 23°C (73°F). N.E. Eng.; Borders; E. Scot. Edinburgh; Dundee. Rather cloudy, with patches of sun. S.E. Eng.; Cathness; Orkney; Shetland. Dull, mist and fog slowly clearing. Wind S.E. light, becoming moderate. Max. 13°C (55°F). Argyll; N.W. Scot. Mostly dry, becoming cloudy. Outbreak of rain. Wind S.W. or moderate. Max. 18°C (64°F). Outlook for Sunday and Monday. Generally cooler with showers and sunny spells.

BUSINESS CENTRES

City	Mid-day	Max	Min
Aberdeen	21	24	18
Belfast	21	24	18
Birmingham	21	24	18
Bristol	21	24	18
Cardiff	21	24	18
Edinburgh	21	24	18
Glasgow	21	24	18
London	21	24	18
Manchester	21	24	18
Newcastle	21	24	18
Nottingham	21	24	18
Sheffield	21	24	18
Southampton	21	24	18
Stockholm	21	24	18
Swedish	21	24	18
Vienna	21	24	18
Zurich	21	24	18

HOLIDAY RESORTS

City	Mid-day	Max	Min
Alicante	21	24	18
Amsterdam	21	24	18
Antwerp	21	24	18
Athens	21	24	18
Batavia	21	24	18
Bombay	21	24	18
Buenos Aires	21	24	18
Calcutta	21	24	18
Canton	21	24	18
Cebu	21	24	18
Colon	21	24	18
Hankow	21	24	18
Hong Kong	21	24	18
Kobe	21	24	18
London	21	24	18
Lyons	21	24	18
Manila	21	24	18
Medan	21	24	18
Shanghai	21	24	18
Singapore	21	24	18
Sourabaya	21	24	18
Tientsin	21	24	18
Yokohama	21	24	18

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